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ABSTRACT

The three year Vermont Experimental and Demonstration Project, sponsored by Manpower Administration, was designed to provide basic empirical data on the feasibility and usefulness of public service employment as a manpower tool to provide transitional employment opportunities for low income unemployed and welfare recipients. Data was collected on client characteristics according to sex as to demography, educational level, employment, experience, income, and welfare statistics. Eighty-four percent of the project clients were placed in three major job types--service, clerical, and professional/technical/managerial (to a lesser extent, structural jobs) with educational and hospital/health type employers; service jobs were the largest single type of occupational category. Those clients who received welfare generally were shorter term clients receiving modest welfare payments. Data analysis indicated a relatively high transition rate for client and good job retention and welfare reduction for transitioners versus non-transitioners. Conclusions from this study were that public service employment appears useful as a means of obtaining steady primary employment and was most effective with clients having better work histories and less welfare time. (EA)

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PUBLIC SERVICE JOBS AND TRANSITIONAL EMPLOYMENT :

An Analysis of the Vermont Experimental and Demonstration Project

JAMES A. CRAFT

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University of Pittsburgh
Pittsburgh, Pennsylvania 15260

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PUBLIC SERVICE JOBS AND TRANSITIONAL EMPLOYMENT:
An Analysis of the Vermont Experimental and Demonstration Project

by

JAMES A. CRAFT

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University of Pittsburgh
Pittsburgh, Pennsylvania 15260

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The three year E&D Project in Vermont using subsidized Public Service Employment to provide transitional work experience for low income unemployed and welfare recipients is described and analyzed. A conceptual model of the transition process id developed and operationalized for measurement. Analysis of the data indicates a relatively high transition rate for clients in the Program. The clients who transitioned had good job retention and welfare reduction results compared to those not transitioning. PSE appears to be most useful as a channel or mechanism to obtain steady primary labor market employment. It seems to be most effective with clients who have the better work histories and less time on welfare.

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PREFACE

Periods of undesirably high unemployment and growth of welfare dependency have inevitably stimulated interest in the use of subsidized Public Service Employment (PSE) as a tool to utilize idle human resources. Many feel that PSE could help meet the increasing demand for public services and at the same time provide income and work experience for the clients. It is consistently emphasized, however, that the subsidized public service jobs should not be "make work" or dead-end jobs with little or no possibility for the clients to move out of these jobs into non-subsidized regular positions. In short, there has been a strong emphasis that if PSE is used, it be "transitional" in nature.

The Vermont Experimental and Demonstration Project was designed to provide some basic empirical data on the feasibility and usefulness of PSE as a manpower tool to assist unemployed members of low income families and welfare recipients in moving into full-time employment and in reducing dependence on transfer payments. The emphasis in the program was placed on developing meaningful jobs with public and non-profit private employers, selecting clients and placing them in the available work experience positions, and assisting the clients in the work experience training to help them move on to non-subsidized full-time employment. The clients received support services during the PSE work experience from various cooperating social and health agencies. The results of the Project suggest that PSE can be a viable and useful tool in the repertoire of manpower programming alternatives. The characteristics and outcomes of this Project are presented and analyzed in this report. The reader, of course, is encouraged to review the findings and draw his own conclusions regarding the significance of the Vermont E&D Project and its meaning for policy dealing with PSE.

It is obvious, especially to anyone who had conducted research, that a report such as this is the result of the efforts of more people than simply the author alone. I have been fortunate in having the opportunity to work with a number of talented people as this research has developed. In particular, at the University of Pittsburgh, David F. Wood has worked closely with me and has provided a great deal of insightful advice and creative computer programming to increase the value of the study. Joan Terrenoire has used her many skills as a keypunch operator, typist, editor, and careful critic to enhance the accuracy and presentation of the findings. My faculty colleagues in the Graduate School of Business were a fertile source of constructive criticism and assistance as the research progressed. Also, at the Brookings Institution, Chris DeFontenay helped me structure much of the initial data to make it amenable to computer analysis.

At the Manpower Administration, USDL, Joseph Seiler initially stimulated my interest in the Vermont Project and was helpful in the early stages of developing the research. Tom Bruening, the Project Officer during the data analysis and writing stage, consistently provided useful criticism and a good deal of encouragement and understanding when difficult problems arose. Finally, Howard Rosen's leadership and the staff at the Office of Research and Development provided an intellectually stimulating and an exciting environment while I worked in that Office as a Brookings Economic Policy Fellow and the seeds of this research report were sown.

My thanks go to Jack White, John Cashman, Robert Matson, Marge Trautz and numerous others in the Vermont State Employment Service who exhibited high levels of patience with the interloper from academia that I was. They assisted me in developing an appreciation of the potentials and limitations of conducting manpower research through an operating government agency.

Finally, I would be seriously remiss if I did not indicate the value of the encouragement I received continuously from Mary Anne Craft and Melanie Craft to complete the research. Their cheerful countenance, even through missed vacations and holidays, made the burden of the work much easier to bear.

James A. Craft

Pittsburgh, Pennsylvania
January, 1974

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PART ONE

INTRODUCTION

Chapter I

INTRODUCTION

In recent years, Public Service Employment (PSE) has been used increasingly as a policy tool to provide transitional employment opportunities for a variety of groups including cyclically unemployed, welfare recipients, and the disadvantaged. Unfortunately, little solid empirical evidence exists which objectively examines the value of PSE as a manpower tool to provide transitional employment. Recognizing the rapidly increasing significance of PSE in manpower programming and the dearth of pertinent evaluative data, the Office of Research and Development, Manpower Administration, in conjunction with the Vermont Department of Employment Security, established an Experimental and Demonstration Project (E&D) in the state of Vermont. The Project was to last three years -- beginning in Fiscal Year 1971 and continuing through Fiscal Year 1973. The intent of the E&D Project was to provide some initial empirical data on the nature, value and effectiveness of PSE in effecting transitional employment for low income unemployed and welfare recipients. This study is an examination and analysis of the data from the E&D experiment.

In this introductory chapter, the objectives will be the following: 1) clarify the concepts of PSE and transitional employment as they are used in this report, 2) outline the nature and activity of the Vermont E&D Project to provide some background for the analysis, and 3) briefly review the structure of the report.

PSE and Manpower Programs

PSE, or Public Service Employment, as it is used in this study will mean employment, generally subsidized, in the not-for-profit sector of the economy (i.e., employment in governmental agencies and non-profit private organizations). PSE as an aspect of manpower policy is not a recent phenomenon. In the last forty years it has consistently been considered and/or implemented in one form or another during periods of excessively high unemployment and economic dependence.[1] For example, illustrations of PSE during the Great Depression of the 1930's include such programs as the National Youth Administration (NYA), Civilian Conservation Corps (CCC), and the Works Progress Administration (WPA). In the 1960's, PSE has come forward again as an important element of national manpower policy with the development of more comprehensive manpower programs concerned with the emergent problems of unemployment and economic dependence -- particularly welfare dependence. Table I-1 presents an illustrative sample of the PSE programs developed in the 1960 to 1973 period. They are roughly organized into groupings on the basis of the client focus of the particular program.

While virtually all of the PSE programs have focused on persons who were not employed (either unemployed or not in the labor force), the emphases of the various programs as concerns

TABLE I-1

Examples of Recent Manpower Programs[1]
With PSE Components and Grouped
by Client Focus

Programs with Emphasis on Welfare Recipients	Programs with Emphasis on Particular Unemployed Groups	Programs with Emphasis on General Unemployment
1. Community Work Training (1962)	1. Neighborhood Youth Corps (Youth, 1964)	1. Emergency Employment Act (cyclically unemployed, 1971)
2. Work Experience Training (1964)	2. Operation Mainstream (Older Workers, 1966)	
3. Work Incentive Program (1967)	3. Public Service Careers (Disadvantaged, 1970)	
[Talmadge Amendment to WIN (1971)]	4. Special Impact (Disadvantaged, 1967)	

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[1] For a description and discussion of these programs the reader is referred to the following publications: *Manpower Report of the President* (U.S. Department of Labor, Manpower Administration) Annually 1963-1972; Garth L. Mangum, *The Emergence of Manpower Policy* (New York; Holt, 1969); Sar A. Levitan and Garth L. Mangum, *Federal Training and Work Programs in the Sixties* (Ann Arbor; Institute of Labor and Industrial Relations, University of Michigan, 1969).

the enrollee or trainee can be dichotomized for analytical purposes. Each of the programs can be viewed as having either: 1) a personal rehabilitative emphasis, or 2) a remedial economic emphasis.

Programs with an emphasis on personal rehabilitation for the trainees have predominated. Such programs (e.g., Community Work Training, Work Incentive, etc.) have focused on those who are not in the labor force or who have marginal or casual relationships with the active labor force and are dependent economically on government transfer payments (e.g., Aid for Families with Dependent Children). The objective of such PSE programs has been to attempt to help these dependent persons develop basic skills and resolve personal problems to enhance their employability and make them more competitive in the regular labor market. The development of basic skills includes direct job related work skills (e.g., typing, cooking, repair work, etc.) along with personal skills such as grooming, self-discipline, interpersonal relations, etc. Helping to resolve personal problems includes counseling on personal and family problems, provision of day care for dependent children, providing necessary medical care, and so on.

The programs with more of a remedial economic emphasis (e.g., Public Employment Program under the Emergency Employment Act) have focused on the unemployed who are unemployed due to cyclical fluctuations in the economy. These persons, for the most part, are job ready and have satisfactory labor market participation and work histories, but the employment opportunities are simply not forthcoming in a slack economy. In such cases, PSE has been designed to provide short term employment opportunities for the following purposes: 1) income maintenance for the trainee until the economy recovers and he can return to his regular source of employment, 2) job mobility and the transfer of under-utilized skills to the public sector of the economy -- some of which are to be retained there after the subsidized work experience has ended. The ultimate objective of all PSE programs, regardless of the particular emphasis, has been to provide an experience that will lead to non-subsidized employment in a satisfactory job for the client and a consequent reduction of economic dependence on public transfer payments and insurance.

PSE as a Manpower Tool. The rationale for using public service work experiences to promote transitional employment is based on a number of basic characteristics of employment in the public and private non-profit sectors. Some of the more important characteristics are as follows:

First, the public sector exhibits greater stability in employment and is affected to a lesser extent than the private sector by cyclical variations in the economy. One of the main problems with the Job Opportunities in the Business Sector (JOBS) program, as illustrative of a government subsidized program in the private for profit sector, has been that after jobs for the disadvantaged have been developed and individuals were hired to fill those jobs, if there was an economic downturn the disadvantaged workers were generally the first to be released in personnel cutbacks. Public employment would generally not be subject to such radical curtailments and cutbacks in new hires since government services are maintained during all segments of the business cycle. This greater stability of employment should provide the trainee with greater assurance of an uninterrupted and continuous work experience -- which will maximize the opportunity to develop work and personal skills in a job environment.

Second, public employment opportunities have been growing rapidly since 1960 with the increasing demand for government services at all levels. For example, between 1960 and 1970, total government employment increased from 8.4 million to 12.5 million employees -- a significant increase of fifty percent over the decade.[2] The growth is expected to continue with government employment reaching a total of 16.8 million by 1980.[3] Most of the growth in employment during the last decade has been in the State and Local government sector where employment grew at the annual rate of 4.9 percent. During the 1970 to 1980 period, the annual rate of growth for employment in State and Local government is projected to be 3.5 percent -- which is the highest rate of change projected for any industrial sector.[4] Such rapid expansion can provide the job opportunities needed for the absorption of those who can meet the skill requirements demanded. If a trainee can develop the necessary work skills during a subsidized training period, there would appear to be a very high probability that he could be moved into a regular work slot upon completion of the training.

This, obviously, would enhance the transition process.

Third, public sector employment appears to be an attractive employment alternative to the disadvantaged and the marginal worker. A basic factor responsible for this is that the wages and potential earnings in public employment are relatively good when compared to those in the available industrial jobs. In addition, a recent study by the National Civil Service League emphasized that there "are also important nonwage benefits uniquely associated with public employment, including virtually automatic tenure, job stability, paid vacations, health insurance, sick leave and pension systems."[5] These factors, in addition to the visibility of public employment, combine to give public employment jobs "a higher status among the poor than service or industrial jobs."[6] Some students of PSE believe that those factors "may evoke higher motivation for work than the prospect of industrial or service employment."[7]

Fourth, public service employment may be the type of employment that is most accessible to potential enrollees. For example, the vast and diffuse network of government organization (e.g., federal, state, county, municipal, school districts, utility districts, and so forth) provides potential employment opportunities in virtually every urban and rural area. Enrollees in a public service employment program, therefore, should have a proximate geographical relationship to their place of employment. This should reduce the problems of transportation to the work site that has plagued much subsidized "work experience" training in the private sector where the trainee has had to go to extraordinary lengths to simply get to his job.[8]

Finally, some observers have noted public service employment may well offer the marginal worker the best chance for development over time and a relatively high chance of retention after subsidized employment is withdrawn. This is due to the belief that the public sector can absorb some inefficiency since it is not in the competitive market sector. Louis Ferman, for example, notes that public service employment may not be as significantly affected by "the competitive performance criteria that characterize private economy jobs . . . [therefore,] the hard-to-employ may be given more opportunity to make the grade than they could have in private industry."[9] This, of course, would enhance the probability of a successful transition process.

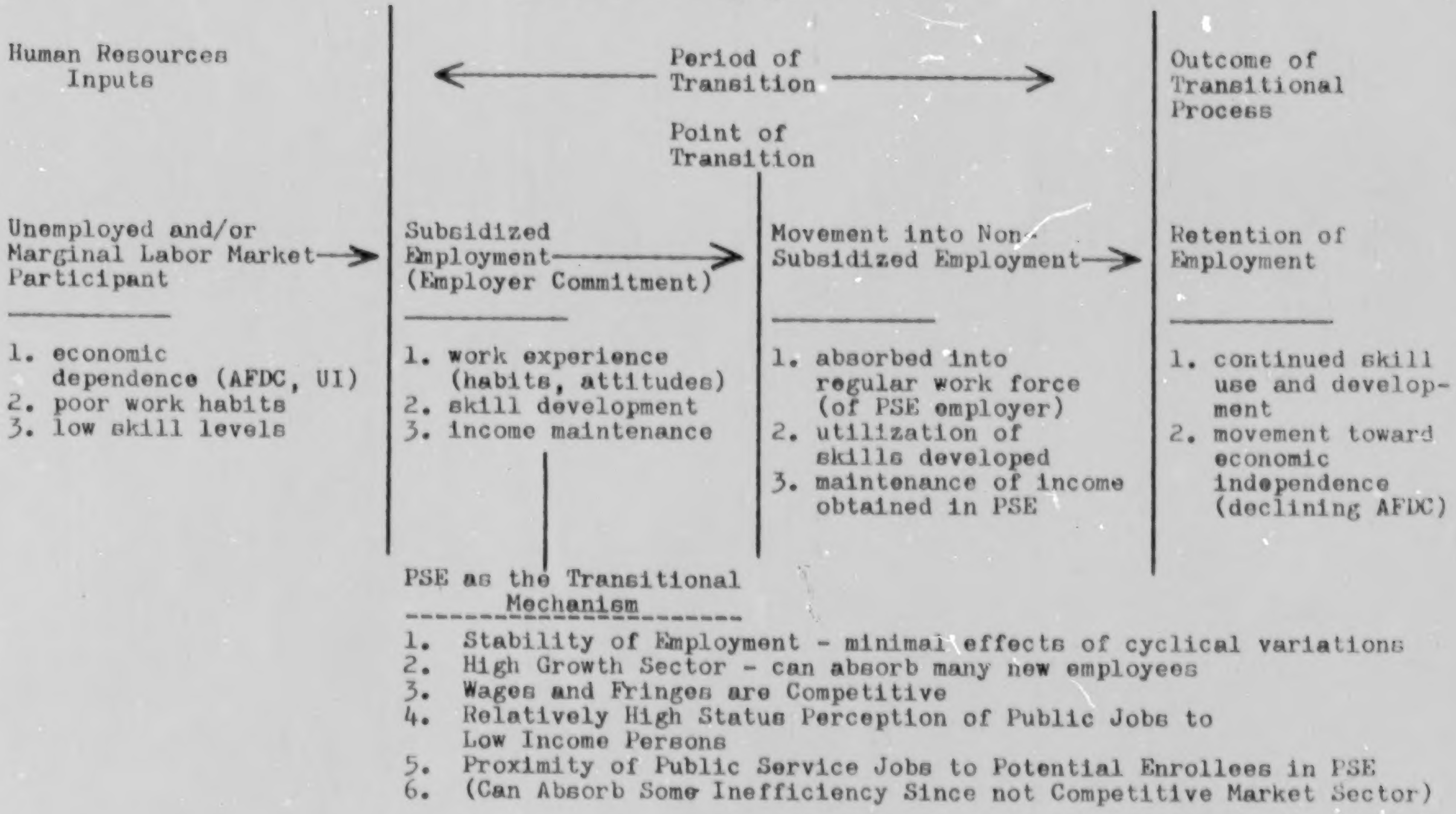
PSE and Transitional Employment. A basic objective of many recent manpower programs directed toward welfare recipients and the cyclically unemployed has been to promote transitional employment, or the movement from a subsidized work-training slot to a non-subsidized full-time job for the trainee. The transition concept also includes the movement of the trainee from a position of economic dependence (e.g., UI, AFDC) to one of economic independence. PSE, for the reasons outlined in the preceding section, is viewed as a potentially useful mechanism in successfully carrying through a transitional employment program.

In effect, transitional employment through PSE may best be viewed as a process. A summary model of the transitional employment process using PSE as the transitional mechanism is presented in Figure I-1. It can be seen that the period of transition begins when the client is placed in a PSE subsidized work-training slot. The objective of such a placement is to provide the client, who may have had a sporadic and/or marginal work history, with a continuous work experience in a job with satisfactory wages in the primary labor market so that he can develop the habits, attitudes, and skills necessary to hold a full-time job. The pay for his work in the PSE slot also acts as an income maintenance device until he is ready to move into the regular work force. The PSE employer is given a subsidy for a limited time, generally from federal sources, to offset the cost of hiring additional non-budgeted workers. While the subsidy can cover all of the direct employment expenses, there may be an attempt to have the employer bear at least a minor portion of these costs (e.g., generally five to twenty percent of the cost). The employer would then be making some investment in the trainee and it would encourage him to increase his commitment to work with the trainee and to hire him on completion of the subsidized work experience.

The point of transition occurs when the subsidy for the work slot is exhausted and/or the employer feels that the trainee is ready to move from the subsidized slot into a regular full-time non-subsidized job. The period of transition is completed as the trainee moves directly into a non-subsidized

FIGURE I-1

Model of the
Transitional Employment Process



Human Resources Inputs

Period of Transition

Point of Transition

Outcome of Transitional Process

Unemployed and/or Marginal Labor Market Participant →

1. economic dependence (AFDC, UI)
2. poor work habits
3. low skill levels

Subsidized Employment (Employer Commitment) →

1. work experience (habits, attitudes)
2. skill development
3. income maintenance

Movement into Non-Subsidized Employment →

1. absorbed into regular work force (of PSE employer)
2. utilization of skills developed
3. maintenance of income obtained in PSE

Retention of Employment

1. continued skill use and development
2. movement toward economic independence (declining AFDC)

PSE as the Transitional Mechanism

1. Stability of Employment - minimal effects of cyclical variations
2. High Growth Sector - can absorb many new employees
3. Wages and Fringes are Competitive
4. Relatively High Status Perception of Public Jobs to Low Income Persons
5. Proximity of Public Service Jobs to Potential Enrollees in PSE
6. (Can Absorb Some Inefficiency Since not Competitive Market Sector)

position in the regular work force -- presumably using the skills that he had developed in the subsidized slot and earning a wage which is comparable to or greater than the wage he earned during his training employment. Since the ultimate objective of transitional employment through PSE is the development of human resources and their long term employment, the transitional process probably cannot be considered complete and effective without long term retention of employment by the client after the initial period of transition. In Figure I-1, the transitional process is considered successful if the former trainee is employed on a long term basis, continues to develop and use the skills he learned in PSE or new skills he is developing on the job, and maintains a movement towards (or achieves) complete economic independence.

The Vermont Experiment in PSE: An Overview

In July 1970, the Manpower Administration, U.S. Department of Labor, funded a major experimental and demonstration project in the State of Vermont. This project, operated by the Vermont Department of Employment Security was designed to determine, in part, if PSE was a potential manpower tool

> . . . to develop the employment potentials of low-income families with children . . . [thereby] reducing welfare assistance dependency, enhancing family stability, and fostering self-reliance and economic independence.[10]

In Vermont, the responsible agency was to actively work to develop completely or partially subsidized jobs with employers in the public and private non-profit sector. It was to refer eligible[11] unemployed and welfare recipients to these jobs so that they could

> . . . perform work in the public interest and simultaneously develop marketable job skills leading to non-subsidized employment.[12]

In particular, through the PSE work experience, supported by extensive counseling, orientation and other support services, the enrollee was to acquire "the habits, attitudes and work skills necessary to enter the regular employment market."[13] It was clear that the training and employment in PSE was to be "transitional" and that the trainee was not to remain permanently on subsidized employment. It was hoped that the PSE employer would be willing to retain the trainee as a regular employee on a non-subsidized basis after the work experience had been completed.

In the job development area, the objective was to develop PSE slots that would provide a meaningful work experience for the trainee at a satisfactory wage (generally defined as $2.00 an hour or above). The contracts negotiated with employers were to be relatively short term -- six months or less. This, it was felt, might hasten the movement from subsidized employment to regular employment and also provided a periodic review of the employer's progress. A contract at expiration could be renewed or renegotiated if such action was deemed desirable by the employer and the Employment Service E&D Staff. In negotiating for the work slots, the Employment Service tried to negotiate an employment subsidy of less than one hundred percent. If the employer had some investment in the trainee (perhaps ten percent of wage costs), it was felt, he would have more of an incentive to work with the trainee to make the work experience successful.

There was no fixed length of time for the PSE training. A trainee could be moved out of subsidized training slots at any time the employer felt that he was ready to become part of the regular work force in a non-subsidized position. During the period of time that one training slot was in existence, then, it could serve more than one client.

Operation and Administration. While the State Employment Service was the core agency designated to implement, administer, and operate the PSE program, other state agencies, funded under separate grants from HEW, provided various support services to PSE enrollees in the pilot area where the Project initially was established. In addition to the employment and support services provided by the Employment Service, then, there were additional support services to clients provided by agencies such as Social Welfare, Child Development (Day Care), and Vocational Rehabilitation.[14]

In fiscal year 1971, the initial year of funding, the Employment Service activity with PSE was specifically limited to two counties in the State -- Chittenden and Lamoille.[15] In Chittenden County, the only county in the state that has a sizable urban area, the major seat of activity was in Burlington, the largest city in Vermont. In Lamoille County, a rural county contiguous with Chittenden, the center of PSE activity was the village of Morrisville.

The first four months of the initial fiscal year of funding were used for project planning, obtaining operating staff, and the development of procedures to implement the PSE experiment. The Employment Service moved into the field and began its job development activities and the selection of PSE enrollees in November, 1970. The operational objective of the first year of activity was to contract for 100 PSE slots and to fill them in the course of the year. By July 31, 1971, there were twenty-seven active contracts providing for eighty-three PSE slots. One hundred and sixty trainees had been enrolled by this date, and of these, seventy-two were then enrolled actively in the available slots.

In fiscal year 1972, the Department of Labor renewed the contract with the Vermont Department of Employment Security and the PSE activity was expanded for that fiscal year. Total funding was approximately doubled and the E&D project was enlarged to cover the entire state. The number of active slots for PSE training was to be increased to three hundred during the year. The delivery of the E&D manpower services was integrated with the State's Work Incentive Program (WIN) through the use of the same employability development teams in local Employment Service offices for both programs.[16] The intent was to fill approximately two-thirds of the available PSE slots with welfare recipients who qualified for work training and the other third of the slots with unemployed workers who could benefit from the special work experience and training.

The Project, by the end of June, 1972, had cumulatively enrolled over five hundred and nine persons in the PSE training (about one hundred and sixty-five of whom were then currently active in training). Approximately sixty percent of these individuals were welfare recipients (AFDC and/or General Assistance) prior to entering into the work experience.

In the final year of the Program, fiscal year 1973, emphasis was placed on winding PSE activity down and completing the Project. For that year, the budget was set for one hundred and eleven PSE slots. With actual slots numbering two hundred and twelve on July 1, 1972, the objective was to gradually reduce the number of slots to approximately forty-seven, with people in these remaining slots finishing the PSE training during the last month of project activity, June, 1973.[17] This was to insure that no hardships resulted from suddenly dropping clients from the Program due to the termination of funds.

Structure of the Report

This report and analysis of the Vermont Project is divided into four major parts with each part consisting of one or more chapters. Part 1, of course, is the introduction. It is composed of one chapter which poses the basic question as to the value of PSE as a manpower tool, outlines the elements of PSE that make it an attractive alternative in manpower programming, and presents a flow model of the transitional employment process. Finally, an overview of the Vermont PSE Project is provided.

Part 2 of the report has three chapters. Chapter II focuses on the clients in the PSE Program and their characteristics. Particular emphasis is placed on examination of demographic, work history, earnings, and welfare characteristics. Chapter III deals with the jobs developed for the clients in PSE training. It covers in detail the job development process and reviews the characteristics of the PSE work experience opportunities with emphasis on job types, wages, hours, and subsidy. Chapter IV, the concluding chapter of this Part, looks at the placement of the PSE clients in the available work experience jobs. The emphasis is placed on developing an understanding of what type of client was placed in a specific job category.

Part 3 of the report is concerned with the completion and transition of the clients from the PSE work experience program. Chapter V deals with the concept of transition and an evaluation of the Vermont PSE Project. An operational model of transition is defined and the experience of the clients in the Vermont PSE Program is evaluated in terms of the model. Also, there is an attempt made to identify the personal and job characteristics of those who met the criteria for transition. Chapter VI is concerned with the follow-up experience of the clients after completion of the PSE Program. The employment, welfare, and earnings experience of the clients is examined in the six month period following their completion or termination from the Program.

Part 4, the final part of the report, consists of one chapter. In it, the findings of the previous chapters are reviewed and the author's ideas about the meaning of the findings for PSE as a part of manpower policy and as a tool in manpower programming are presented.

Footnotes

[1] For a good historical overview of public service employment and discussion of government as employer of last resort, see Garth L. Mangum, "Government as Employer of Last Resort," in Sar A. Levitan, et. al., Towards Freedom From Want (Madison: IRRA, 1968) pp. 135-161.

[2] See the Manpower Report of the President, 1972 (USDL, 1972) pp. 135-161.

[3] Ibid.

[4] Ibid.; for discussion of types of manpower needed in public service jobs, see Leonard Lecht, Manpower Requirements for National Objectives in the 1970's (Washington D.C.; NPA, 1968).

[5] National Civil Service League, Public Employment and the Disadvantaged: Final Report (Washington D.C.: National Civil Service League, 1971), p. 52; also see p. 1 for a discussion of better income and earnings possibilities for disadvantaged in public employment.

[6] Louis Ferman, Job Development for the Hard-to-Employ (Washington D.C.: USDL, 1968), p. 106.

[7] Ibid.

[8] See, for example, Dorothy Newman, "The Decentralization of Jobs," Monthly Labor Review (May, 1967) pp. 7-13; and Janice O. Wheeler, "Transportation Problems in Negro Ghettos," Sociology and Social Research (January, 1969), pp. 171-179.

[9] Ferman, op. cit.

[10] Vermont State Employment Service, "Vermont E&D Project Agenda Item: Project Objectives and Progress," (mimeographed, n.d.) p. 2.

[11] Eligibility for participation in PSE throughout the three-year duration of the Project remained basically the same: "Unemployed members of low-income families with children." In the first year, the Family Assistance Plan (FAP) income guidelines were used to determine qualification as "low-income." In succeeding years, the income levels were raised to conform to HR1 specifications.

[12] "Vermont FAP Manpower Activities," Xeroxed paper dated May 20, 1971, p. 1.

[13] Stella B. Hackel, Commissioner, Vermont Department of Employment Security, "Supplemental Proposal for Second Year E&D Work," (mimeographed, May 1, 1971) p. 60.

[14] For information regarding the nature and structure of the cooperation of these agencies, see Stella B. Hackel, "Supplemental Proposal for Third Year E&D Work," (mimeographed, April 12, 1972) pp. 76-87, Appendices A,B, and C.

[15] These were pilot operations in these two counties.

[16] This was true throughout the state except in the Burlington and Morrisville offices where the E&D operation had been initially established as a separate unit and remained separate throughout the experiment.

[17] For more complete discussion on planned activity during the final year, see Stella B. Hackel, "Supplemental Proposal for Third...," op. cit., pp. 88-111.

PART TWO

JOBS AND CLIENTS

Chapter II

CLIENT PARTICIPANTS IN PSE

The objective of the Vermont Experiment was to collect information on the effectiveness of PSE in providing transitional employment for welfare recipients and low income unemployed. In order to better understand and interpret the meaning of the results, it is necessary to have some knowledge of the characteristics of the human resources participating in the project. In this chapter we will do the following: 1) note the nature and process of client selection for the PSE program; 2) examine the basic demographic, work experience, earnings, and welfare characteristics of the participating clients; and 3) briefly present an interpretive summary description of the clients in the program.

Client Selection

Throughout the three year period of the PSE experiment, the basic eligibility criteria for enrollment in the program were that the clients be unemployed members of low-income families with children.[1] Clients selected for the PSE work experience were chosen from those referred to the experimental program from the following major sources: 1) Social Welfare referrals of AFDC clients to the Work Incentive Program (35 percent of enrollees); 2) Employment Service operations and related activities[2] (22 percent of enrollees); 3) Self referral after learning about the program (19 percent of enrollees) and 4) Direct referrals from other sources[3] (23 percent of enrollees). Selection for participation in the program was made on a "first-come, first-served" basis as the eligible client came to the attention of the E&D counselor. No attempt was made to select a random sample of the eligible population in the State.[4]

From the eligible population referred to the PSE program, there appear to have been two basic types of clients placed in the work slots. First, and most important in terms of numbers, were the clients whom the counselors felt lacked the potential to succeed in the WIN-OJT or other regular training programs. This lack of potential was due to severe personal, health, or behavioral problems the client exhibited.[5] The PSE program was designed to provide high levels of support to enrollees from the Employment Service counselors and coaches as well as from such cooperating agencies as Social Welfare, Vocational Rehabilitation, and Child Care. In addition, the work experience was in a subsidized slot with an employer so that the client could be placed in training even though he might not initially meet the performance expectations of the employer. In effect, the PSE program provided temporary subsidized work experience, hopefully leading to permanent non-subsidized employment for multi-problem clients whom the counselors felt had little opportunity to obtain employment without the benefit of work experience training.

The second type of client placed in a PSE work slot was the eligible person who had completed a manpower training program and was ready for employment, but for whom no job opportunity was available. This group consisted mostly of women who had completed WIN training and were in the job entry "holding" category. PSE slots provided an alternative for placement of these WIN graduates who might not have been placed at all or placed only after a significant period in the "holding" category. This client group was an estimated eight percent of the PSE participants.

In general, the E&D Staff perception of the clients enrolled in the PSE program was that they were less employable than WIN trainees on the average. The clients were seen as hard-to-employ (or even unemployable) under usual circumstances since they were characterized by few skills, chronic illness or disability, and numerous personal problems.

Characteristics of PSE Clients*

In this section of the chapter, we will examine the basic characteristics of the clients selected for participation in the Vermont PSE Experiment. This should provide a more complete basis for insights into the types of persons and related problems involved in the experiment. The discussion will be organized into four sections: 1) the social and demographic characteristics of the clients; 2) employment and labor market experience prior to PSE; 3) client income and earnings characteristics; and 4) welfare characteristics of the clients.

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*The analysis and information presented in this chapter and the succeeding chapters will be based on the experience of the first five-hundred (500) clients enrolled in the PSE Experiment. While there was a total of six-hundred and fifty-three clients enrolled, we will deal only with the first five-hundred since most of them have completed their work experience and have follow-up information available regarding their post-PSE labor market activity.

Demographic Characteristics. Some basic demographic information relating to the Vermont PSE clients is presented in Table II-1. Data are presented for males, females and total. It was decided to present data separately for males and females since each sex appeared to have, as will be seen throughout this chapter, differences in some important demographic and other background characteristics.

Perhaps one of the most important demographic variables with potential implications for employment opportunity is education. Educational attainment level is used by many employers as a screening device in selection and promotion procedures.[6] Employers may use the level of education to provide a rough index of the basic language and mathematical skills of a potential employee--as well as an indicator of his motivation. For many of the better paying and more prestigious non-professional jobs, the basic educational requirement is a high school education (i.e., 12 years). In Table II-1, we see that for all the Vermont PSE clients, forty-seven percent had less than a high school education or its equivalent. Males and females in the client group differed significantly with regard to educational level (X^2=34.3;df=4;p $<$ .001), with larger numbers of males in lower educational level categories. Fifty-nine percent of the males, for example, had less than a high school education compared to only thirty-eight percent of the females. More specifically,

TABLE II-1

Demographic Characteristics of Clients by Sex

Demographic Variables	Male		Female		Total	
	No.	Pct.[b]	No.	Pct.[b]	No.	Pct.[b]
Sex	224	45%	276	55%	500	100%
Education						
0	0	0%	0	0%	0	0%
1- 8	71	32	33	12	104	21
9-11	59	27	72	26	131	26
12[a]	65	29	131	48	196	39
13-15	16	7	24	9	40	8
≥ 16	12	5	15	5	27	5
Head Hlsd.	217	97%	186	68%	403	81%
Marital						
single	11	5%	29	6%	40	8%
seprtd	14	6	43	16	57	11
divrcd	16	7	103	37	119	24
widowd	0	0	8	3	8	2
marr'd	183	82	93	34	276	55
Number of Children						
0	13	6%	7	3%	20	4%
1-2	114	51	165	60	279	56
3-4	51	23	66	24	117	23
5-6	33	15	30	11	63	13
≥ 7	12	5	7	3	19	4
Age						
≤ 19	14	6%	12	4%	26	5%
20-24	51	23	81	29	132	26
25-34	82	37	103	37	185	37
35-44	60	27	57	21	117	23
45-54	12	5	20	7	32	6
55-64	5	2	3	1	8	2
Handicap	85	38%	45	16%	130	26%

[a] Includes clients with high school equivalency GED.

[b] May not total to 100 due to rounding.

for men, those with the lowest levels of educational attainment are concentrated in two major age groups--those nineteen years old and under and those in the 35 to 44 age group. In both of these groups, which make up fully one-third of the male clients, over seventy percent of the people have less than twelve years of education. In the remaining age groups, those with less than a high school education constitute between forty and fifty percent of each group. For females, only the youngest group, those nineteen years of age or younger, has over half of the group (58 percent) with less than a twelfth grade education. In the age group of 45 to 54 years, forty-five percent of the women had less than a high school education. These two groups together, it should be noted, constitute only eleven percent of all the females. The remaining females had smaller proportions of those with less than twelve years of education (range from 33 to 40 percent).

The data presented in Table II-2 puts the educational attainment levels of the total Vermont Client sample in perspective. In this Table, the proportion of clients in each educational level category is compared to data for various groups in Vermont and nationally. In comparison with the other Vermont groups, simply on the basis of educational attainment, it would appear that the PSE clients generally are more highly educated than WIN clients, but not as well educated as the applicants who apply for Employment Service assistance. In terms of educational level achieved, the PSE clients are not highly dissimilar to the Vermont population 25 years of age and

TABLE II-2

Percent of Vermont PSE Clients in Each Educational Category as Compared to Other Groups

Employee Group	Category by Years of Education 0-8	9-11	12	13-15	16+
Vermont PSE Clients	21%	26%	39%[a]	8%	5%
Vermont Comparisons					
Vermont Population[b]	26	17	33	13	12
Vermont WIN Clients[c]	32	29	31	8	m
Vermont E.S. Applicants[d]	n	35	41	24	m
National Comparisons					
Total Civilian Labor Force[e]	16	17	39	14	14
White Civilian Labor Force	15	16	40	15	14
Negro Civilian Labor Force	26	24	33	10	7

Source: Data for the Vermont Population came from 1970 Census of Population, General Social and Economic Characteristics, State of Vermont, Table 46 "Educational Attainment and Labor Force Characteristics by Race; 1970 and 1960"; Data for Vermont WIN clients and E.S. applicants came from the Vermont Department of Employment Security; Data for all the National comparisons came from the 1972 Manpower Report of the President (Washington D.C., USDL, Manpower Administration, March 1972) Table B-9, page 202.

[a] Includes those with high school equivalency GED.

[b] Total persons 25 years of age and over in 1970.

[c] Data is for calendar year 1971.

[d] Data is for fiscal year 1972.

[e] Persons 18 years of age and over in March, 1971.

[m] Persons in this category are included in the preceding category.

[n] Persons in this category are included in the following category.

over (particularly when dichotomized into those who have completed at least 12 years and those who have not). With regard to national comparisons, it seems that the PSE clients generally have lower levels of educational attainment than the civilian labor force as a whole or the white civilian labor force, but appear to have a reasonable similarity to the educational attainment of the Negro civilian labor force. In summary, then, it would appear that the PSE clients, on the average, may face some competitive disadvantage with regard to education, but, in fact, have a better competitive position than persons in other selected manpower programs (e.g., WIN). More particularly, however, the male clients, with lower levels of education than females, might face problems in qualifying for jobs requiring moderate levels of educational achievement.

Turning to other demographic variables, from Table II-1 we find that eighty-one percent of the client group is classified as a head of household. Again, there is a very significant difference between men and women as heads of households ($X^2=66.1; df=1; p<.001$). Virtually of all of the men classed as heads of household (97 percent) while about two-thirds of the women are so classified (68 percent). Some light can be shed on this difference by examining the marital status of the clients. The overwhelming majority of men were married at the time of classification, while the majority of women were not.[7] With few exceptions, all of the men who have been married or were married at the time of classification were heads of households. Almost all of the women who had been married, but were not married at the time of PSE classification were heads of households. However, of those women who were married at the time of entry into the program (34 percent of the total), only a small proportion was classified as head of household. In other words, a large number of women (28 percent of the total) were married and did not consider themselves as head of their household. They, for the most part, are secondary wage earners in a household headed by a low income male worker. This indicates, among other things, that two types of workers were involved in the PSE program. First, the male and female heads of households for whom the PSE earnings would be the primary source of income, and for whom AFDC welfare payments would be an income alternative to support the family. Second, the female non-head of household whose PSE earnings would supplement the earnings of their family's primary wage earner.

Again, examining Table II-1, we find that almost all of the clients (96 percent) had children. The majority of clients have only one or two children. Many of these children are young. For example, seventy-two percent of the clients have at least one child under six years of age. Seventy-five percent of the males have a child under six years of age, while sixty-nine percent of the females have such young children. For both males and females who have children under six, the average number per client is 1.6. This information is significant for two reasons: 1) it is apparent that the great majority of the clients have financial responsibilities beyond simply self support and will have to make a decision regarding work or other sources of income at least partially in the light of supporting dependent children; and 2) the majority of women clients have children less than six years of age, and in recently proposed welfare reform legislation, such mothers would not be required to register for work training. In their case, welfare would be a distinct income alternative with few penalties if they fail the work experience.

Finally, the age groupings of the clients as shown in Table II-1 shows that the majority of clients are in the prime working age group, 20 through 44 years of age, with few very young and few very old clients. The average age is 30.7 years. This would mean that they should be easier to place than if they were concentrated in the extreme age groups. Males and females differ little in the distribution of their ages.

Employment. Information on the employment characteristics and work history of the clients is presented in Table II-3. Upon examining the Table, it is clear that the majority of clients (66 percent) came from three basic occupational areas: 1) Clerical and Sales, 2) Service Jobs, and 3) Structural work. Given the nature of many of the jobs in these occupational categories (i.e., seasonal, short term and/or low paying, low skill) and the substantial proportion of the Vermont labor force in these general areas,[8] it is not surprising that a large percentage of the clients come from these occupational backgrounds.[9] It should be noted, however, that the male and female clients vary markedly from each other in terms of the occupational backgrounds they exhibit ($X^2=210.2; df=9; p<.001$). For example, over three-fourths (76 percent) of the women had occupational classifications

TABLE II-3

Employment Characteristics of Clients by Sex

Employment Variables	Male		Female		Total	
	No.	Pct.[b]	No.	Pct.[b]	No.	Pct.[b]
Type of Job (DOT Code)						
Prof. Tech (0	10	5%	24	9%	34	7%
(1	12	6	10	4	22	5
Clrk,Sales 2	15	7	101	39	116	24
Service 3	36	16	96	37	132	28
Farm 4	10	5	0	0	10	2
Processing 5	2	1	1	*	3	1
Mach.Trdes 6	20	9	4	2	24	5
Bench Wrk 7	9	4	17	7	26	6
Structural 8	66	30	1	*	67	14
Misc. 9	39	18	4	2	43	9
Years Employed Six Months or More						
0	32	15%	88	32%	120	25%
1- 5	71	34	134	50	205	42
6-10	41	19	34	12	75	15
11-15	20	9	8	3	28	6
16+	48	23	8	3	56	12
No. of Jobs Held in Year Before PSE						
0	52	24%	120	44%	172	35%
1	91	41	116	42	207	42
2	49	22	32	12	81	16
3	22	10	3	1	25	5
4	4	2	0	0	4	1
≥5	3	1	3	1	6	1
Weeks unemployment in Last Year						
≤5	37	17%	32	12%	69	14%
6-15	38	17	21	7	59	12
16-26	52	23	25	9	77	15
>26	97	43	198	72	295	59

*Too few entries in this category to round off to one percent.

[b] May not total to 100 due to rounding.

in the Clerical and Service categories, but this accounted for less than one-fourth (23 percent) of the men. Yet, almost one-half of the men were in Structural (generally construction) and Miscellaneous occupations, while less than three percent (2 percent) of the women were in these categories. Both men and women had sizable proportions in the Service type occupations. These findings suggest different job skills, work interests, and earnings histories for men and women. The occupational differences also have implications for placement in PSE jobs. For example, jobs in the not-for-profit sector generally tend to be white collar clerical, professional, managerial, or blue collar service type jobs. Intuitively, there would appear to be fewer jobs that would compare with such structural jobs as in building construction.

The second major variable in Table II-3 summarizes the number of years the clients were employed six months or more prior to entering PSE. This indicates the number of years of substantial work experience the clients brought into the program. On an overall basis, it appears that such experience was not extensive (a median of 3 years) given the average age of the clients. Once again, the clients differ significantly with regard to work experience when dichotomized by sex and compared ($X^2=73.6; df=4; p. < .001$). The median number of years worked six months or more for females was 1.7 (range from 0 to 31), while the median for males was 5.8 years (range from 0 to 34). It appears that on the average, male clients had more years with six months or more work experience than did females.

The data presented in Table II-4 provides additional information related to the above discussion. In this table, we see a breakdown of the number of years in which the clients had any gainful employment, regardless of how long the employment experience lasted. Also, we can see how many clients had defined proportions of those years in which they were employed six months or more. The data indicates that for both males and females, the clients had worked six months or more for a surprisingly limited proportion of the years they had been employed. For example, only half of the men and one-third of the women clients worked at least six months in more than 75 percent of the years they had been employed. In summary, the clients tended to have relatively short periods of employment experience for their average age. In addition, women clients had been employed fewer years than male clients, and their work experience during those years was of shorter time duration than was the case for males.[10]

The third major employment variable in Table II-3 shows the number of jobs held in the year before entry into the PSE program. This information indicates: 1) how many clients had some remunerative employment in the twelve months preceding PSE, and 2) how many clients had multiple employment experiences during the year.

It is evident from the Table that the majority of clients (65 percent) had some job experience during the year before entering PSE. In terms of a male-female breakdown, we find that a significantly higher proportion of men (76 percent) held at least one job in the preceding 12 months as compared to women

TABLE II-4

Aspects of Employment Experience of PSE Clients

Experience Variables	Male No.	Male Pct.[b]	Female No.	Female Pct.[b]	Total No.	Total Pct.[b]
Years of Gainful Employment						
0	2	1%	15	6%	17	3%
1- 5	69	31	175	63	244	50
6-10	57	26	60	22	117	23
11-15	36	15	12	5	48	9
16+	61	27	12	5	73	15
Pct of Years Employed for Six Months or More						
0%	30	14%	73	28%	103	22%
1-25	7	4	7	3	14	3
26-50	26	12	41	16	67	14
51-75	42	20	49	19	91	20
76-100	105	50	87	34	192	41

[b] May not total to 100 due to rounding.

(56 percent).[11] In addition, it is apparent that more men were multiple job holders in the year before PSE than were women. Over one-third of the male clients had held two or more jobs while only fourteen percent of the female clients held multiple jobs. In addition, it is of interest to note that of those women who had one or more jobs during this time, over one-half of them left all of their jobs voluntarily while less than one-third (30 percent) of the men left all of their jobs voluntarily. On the other hand, about one-half of the men (47 percent) left none of their jobs voluntarily while this was true for only about one-

third of the women (36 Percent). Interpretation of these data indicate that male clients, more often than female clients, lost their jobs due to lay-offs or other involuntary reasons and then took another job. Females, more often than males, voluntarily left their jobs and did not as often obtain another job.

The final employment variable in Table II-3 summarizes the unemployment experience of the clients in terms of the number of weeks of unemployment in the year before entering PSE. As might be expected from the preceding discussion in this chapter, the clients experienced a great deal of unemployment before entering PSE. This is demonstrated by the fact that fifty-nine percent of the clients were unemployed more than twenty-six weeks in the year before entering PSE. The median number of weeks of unemployment for all clients was thirty-five. Female clients suffered unemployment more during the year than males as is indicated by the fact that seventy-two percent of the women were unemployed for more than twenty-six weeks while forty-three percent of the men were unemployed in excess of twenty-six weeks. The median number of weeks of unemployment for females in the year was 45.5 weeks while the comparable figure for males was 25 weeks.

Earnings. Information on client earned income and wage rates is presented in Tables II-5 and II-6 respectively.[12] Upon examining Table II-5, it is apparent that the clients, as would be expected from the nature of the PSE program, had very low personal and family incomes. With regard to earned income in the family in the twelve months prior to PSE, the vast majority of families (81 percent) had either no earned income or an earned income of less than $4,000. The median earned income in the families for all clients was $2,203 (range $0 to $9,999). Eighty-four percent had earned family incomes less than or equal to the 1972 federal poverty standard for urban families of four, while seventy-four percent had incomes at or below the rural poverty standard.[13] A somewhat higher proportion of female clients came from families where earned income was less than the poverty level.[14]

TABLE II-5

Earned Income Characteristics of PSE Clients

Income Variables	Male		Female		Total	
	No.	Pct.[b]	No.	Pct.[b]	No.	Pct.[b]
Family 12 Mos Earned Income before PSE[a]						
0	19	14%	37	19%	56	17%
1- 999	18	13	34	18	52	16
1000-1999	13	10	22	12	35	11
2000-2999	23	17	34	18	57	17
3000-3999	30	22	36	19	66	20
4000+	33	24	28	15	61	19
Client 12 Mos Earned Income before PSE[a]						
0	30	22%	86	45%	116	35%
1- 999	21	15	50	26	71	22
1000-1999	17	12	18	9	35	11
2000-2999	22	17	23	12	45	14
3000-3999	24	18	10	5	34	10
4000+	22	17	5	3	28	9

[a] Based on 329 cases less those with missing values.

[b] May not total to 100 due to rounding.

Focusing on individual client income, we see that over ninety percent of the clients had either no earned income (35 percent) or had an earned income of less than $4,000 (56 percent). The median earned income for all clients was a very low $670 (range $0 to $8,000).[15] Male and female clients differed greatly with regard to the amount of their earnings. Illustrative is the fact that the median income for men in the twelve months preceding PSE was $1,966 (range $0 to $8,000) while the median earned income for women was $205 (range $0 to $5,700).[16]

For those families that had some positive earned income in the twelve months prior to the client entering PSE, in the majority of cases the PSE client had contributed either all of the income (55 percent) or part of it (in 23 percent of the cases). This indicates that in the families that had earned income, a significant proportion of the clients enrolled in PSE had demonstrated an interest in earning money to increase family income. The clients from families with no earned income and those who were members of families with earned income but did not contribute anything to the family income had not concretely demonstrated the interest or ability in recent months before PSE to contribute earned income to the family. Those in the latter groups comprised thirty-five percent of the total client group.

Turning to Table II-6, we focus attention on client wage rates. Information presented there includes data on the hourly wage the client earned on the last job held before entering PSE, the highest hourly wage he has ever earned, and his perception of a fair hourly wage for himself given his abilities.

TABLE II-6

Earnings Characteristics of PSE Clients

Earnings Variables	Male		Female		Total	
	No.	Pct.[b]	No.	Pct.[b]	No.	Pct.[b]
Hourly Wage on Last Job						
.01-1.59	9	4%	60	23%	69	14%
1.60-1.99	35	16	120	46	155	32
2.00-2.49	66	30	58	22	124	26
2.50-2.99	42	19	16	6	58	12
3.00-3.49	32	15	5	2	37	8
3.50+	37	17	1	*	38	8
Highest Hourly Wage Ever Earned						
.01-1.59	5	2%	38	15%	43	9%
1.60-1.99	19	9	108	42	127	27
2.00-2.49	60	28	80	31	140	30
2.50-2.99	44	21	22	9	66	14
3.00-3.49	39	18	6	2	45	10
3.50+	48	22	2	1	50	11
Client Perception of Fair Hourly Wage[a]						
.01-1.59	0	0%	1	*%	1	*%
1.60-1.99	3	1	58	22	61	13
2.00-2.49	71	34	163	62	234	49
2.50-2.99	66	31	22	8	88	19
3.00-3.49	45	21	15	6	60	13
3.50+	26	12	4	2	30	6

*Too few entries in this category to round off to one percent.

[a] Based on 329 cases less missing values.

[b] May not total to 100 due to rounding.

The information dealing with the hourly wage on the client's last job should give us an indication, on an aggregate basis, of the wages for which these people have customarily worked. The median wage for all clients on their last job was \$2.00 per hour (range \$.42 to \$9.99). In addition, we note that the median for the highest wage ever earned was also \$2.00 (range \$.50 to \$9.99). In fact, the wage on their last job and their highest wage are very closely related ($r=.80; p<.001$). These findings suggest the following things: First, many of the clients worked for relatively low wages since an hourly wage of approximately \$2.00 is necessary for a \$4,000 gross annual income. Second, since the clients, in their last jobs prior to entering PSE, were working at or near their all-time high hourly rate, this could indicate that they were involved in low level secondary markets with little chance of going beyond the wage ceiling in a particular market.[17]

For a more complete understanding of client hourly wages, however, it is necessary to dichotomize the total client group into male and female subgroups. Upon so doing, it is readily apparent that males and females again differed significantly in their hourly earnings--both on their last job and highest hourly wage. For example, in Table II-6 we note that sixty-nine percent of the females worked for less than \$2.00 an hour on their last job while only twenty percent of the men were below this rate. Fifty-seven percent of the female clients had never earned \$2.00 an hour in their entire work career, while there were only eleven percent of the men in a similar classification. Men had much higher hourly earnings than women as is illustrated by the fact that the median wage for men on their last job was $2.46 per hour (range $.50 to $9.99) while the comparable figure for women was $1.70 per hour (range $.42 to $4.33).[18] Similar differences existed for the highest hourly wage earned (male median=$1.79).[19]

Many of the important differences between male and female hourly wage rates can be explained by referring back to the occupational distributions of the sexes in Table II-3. There we saw that a substantial proportion of the men had experience in the structural and miscellaneous occupations which include construction work and various types of manufacturing jobs. These tend to be highly unionized jobs and have higher wage scales. Women, on the other hand, were concentrated in the clerical and service type jobs which are characteristically non-union and include many low-skill and low-pay type positions.

In light of our knowledge of what the clients have actually received for hourly wages, it is interesting to note what they perceive to be a fair wage for their services as they entered PSE.[20] The total client median for a perception of a fair hourly wage was $2.00 (range $1.60 to $5.00). Men had a median perceived fair wage of $2.50 (range $1.60 to $5.00) while females had a median of $2.00 (range $1.60 to $4.00). Relating the fair wage to the highest wage ever earned, we find that fifty-nine percent of the females perceived their fair wage to be higher than the highest wage they had ever earned. This was true for only twenty-five percent of the males. On the other hand, forty-seven percent of the males perceived a fair wage which was less than the highest wage that they had ever earned. Only nineteen percent of the females had this feeling. In effect, females made an upward adjustment from past wage experience in developing a concept of a fair wage (indicating that they felt they were worth more than they had been paid) while males made a downward adjustment from their highest earnings to arrive at a fair wage. Still, past experience and future expectations about work evidently had enough influence to create a substantial difference between the sexes in fair wage expectations.[21] These perceptions of a fair wage may have importance, given the job and wage of the client in PSE, relating to the success of the PSE program.

Welfare Characteristics. Table II-7 contains information on the welfare characteristics of the PSE clients. The data there shows how many clients received welfare immediately prior to entering PSE and what type of welfare they received; the length of time the clients received welfare payments; and the amount of monthly payment received while on welfare.

From the Table, we find that about two-thirds of the clients had received some type of public assistance transfer payment in the period immediately preceding entry into PSE. A substantial majority of those who had received assistance payments had received AFDC payments--which are an on-going monthly payment to families with dependent children. The other clients received General Assistance (GA) payments which are usually a one time grant-in-aid to poor persons encountering a substantial short term problem, or to someone not eligible for other assistance programs.[22] General Assistance, as contrasted to AFDC, is not

TABLE II-7

Welfare Characteristics of PSE Clients

Welfare Variables	Male		Female		Total	
	No.	Pct.[b]	No.	Pct.[b]	No.	Pct.[b]
Type Welfare Received						
None	90	40%	85	31%	175	35%
Genl Asst	32	14	21	8	53	11
AFDC[a]	102	45	169	61	271	54
Months on Welfare (AFDC) Before PSE						
0	123	55%	108	39%	231	46%
1- 4	63	28	30	11	93	19
5- 8	10	5	28	10	38	8
9-12	8	4	28	10	36	7
13+	20	9	81	30	101	20
Months on Welfare (AFDC) Last 5 Years						
0	119	53%	106	39%	225	45%
1-12	77	34	76	28	153	31
13-24	15	7	33	12	48	10
25-36	6	3	21	8	27	5
37-48	4	2	16	6	20	4
49-60	3	1	23	8	26	5
Monthly Welfare Payment In Dollars						
0	123	55%	108	39%	231	46%
1-100	3	1	14	5	17	3
101-200	14	6	39	14	53	11
201-300	39	17	68	25	107	21
301-400	31	14	40	15	71	14
401-500	10	5	7	3	17	3
501+	4	2	0	0	4	1

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[a] Includes 30 persons who also received a General Assistance payment.

[b] May not total to 100 due to rounding.

an on-going regular assistance payment to a client. In any case, those clients receiving AFDC will be considered the "welfare clients" for the purposes of this report.

The differences between males and females, in terms of welfare characteristics, are consistent with our earlier findings regarding work and earnings experience by sex. Substantially more men had received no assistance or a one-time GA payment (54 percent) compared to the women clients (39 percent), while more women had received AFDC. Since we have found that women earned less money and had greater unemployment than men, this is not surprising. The male clients have less propensity to be on AFDC since they are more likely to be employed, at better wages, than females.

Again returning to Table II-7, the next variable indicates the number of months the clients were continuously on welfare (i.e., receiving AFDC payments) prior to entering the PSE program. For the group of clients that had been on welfare for some positive number of months before PSE, it is of interest to note that most of them were reasonably short term welfare recipients. Of those who had received AFDC, sixty-two percent had received it for twelve months or less; forty-eight percent had received it for eight months or less; thirty-five percent for four months or less. The median number of months continuously on welfare before PSE for AFDC recipients was nine. It is apparent that males and females are quite different with regard to time on welfare before PSE. The majority of men on welfare (62 percent) had been on welfare for four months or less while the female clients who had been on welfare had only eighteen percent in that category.[23] The median number of months for male clients on welfare was two (range 1 to 60) while the comparable figure for females was twelve months (range 1 to 168).

In order to get additional insights into the welfare characteristics of the clients, particularly as to whether they are chronic welfare recipients, we look at the next variable in Table II-7. There we see the total number of months on AFDC (not necessarily continuous) in the last five years. Several indicators suggest that for most of the clients, there had not been a chronic history of welfare dependence (i.e., continuing on welfare for lengthy periods or continually going off and on welfare). First, the correlation between months AFDC before PSE and months AFDC in the last five years is very high, ($r=.87$; $p<.001$). Second, eighty percent of the clients had one year or less time on AFDC continuously prior to PSE, and a similar percentage (76 percent) had one year or less on AFDC in the last five years. Twenty percent of the clients had 13 or more months on welfare preceding PSE and twenty-four percent had 13 or more months in the last five years. For the most part, then, it appears that the client's time on welfare in the last five years is accounted for in the time on welfare just prior to entering PSE.[24]

The final data presented in Table II-7 summarizes the amount of welfare received monthly by the clients before entering PSE. For those clients who were receiving welfare, about two-thirds (66 percent) were receiving $300 per month or less. The median welfare payment received for all clients was $255. It is interesting to note that even though fewer men than women received welfare payments, their payments tended to be higher when they did receive welfare. For example, the median welfare payment to males receiving AFDC was $293 per month (range $65 to $641) while females receiving AFDC had a median payment of $233 (range $14 to $445). Since the male and female clients had the same average number of dependent children, the higher welfare payment to men may be partially explained by the fact that males receiving welfare as heads of households also had to support their wives as well as their dependent children.[25] Female clients who were head of households and receiving welfare had only themselves and their children to support, not an additional family member. This difference may have been recognized by the welfare caseworker when recommending the grant for the family.

On an overall basis, then, the clients tended not to be long term welfare recipients or those with chronic off-and-on welfare status. Generally those who received welfare were shorter term clients receiving modest welfare payments. Males had less propensity to be on AFDC than females, and those who were on AFDC rolls had been on a shorter period of time than comparable females. Men generally received higher AFDC monthly payments than did women.

Summary and Interpretation

This chapter has focused on the participants in the PSE program. We have reviewed the selection process and spent a substantial amount of time examining the characteristics of the clients to better understand the nature of the people involved in the PSE work experience program. In this final part of the chapter, we will briefly review our findings. We will outline the salient aspects of client selection first. Then as far as client characteristics are concerned, we will try to present an interpretive overview of typical characteristics of clients in the PSE program. For the more specific findings, the reader should refer to the detail of the text.

With regard to client selection, it was found that the majority of clients came from referrals from the Department of Social Welfare and from Employment Service operations--including outreach. Many clients, however, were referred from a variety of other programs and institutions that were aware of the PSE program; or else the client was a self-referral after having heard of the program through the media or friends. Clients were selected on a first-come-first-served basis if they met the eligibility qualifications (i.e., unemployed members of low-income families with children). Two basic types of clients were admitted: 1) those with little potential to succeed in the regular manpower training programs, and 2) those who had completed a manpower training program but had no employment opportunity available. The first type of person predominated. A basic characteristic of all clients selected was that they were hard-to employ given the low skill, personal and/or physical disability problems they exhibited.

With regard to client characteristics, it was found that the persons enrolled in the program (both male and female) were low income heads of households, generally with young children in the household. The client was reasonably young and in the prime of the usual period of labor force participation.[26] The males generally tended to be less well educated than the females, with substantial numbers not having a high school education. All the clients tended to have unusually short work experience (both total and substantive) given their age. For males this appears to be due to irregular work experience obtained in seasonal industries (e.g., construction) and marginal employment (low level service and manufacturing jobs) while for women this is due more to the experience of women being secondary wage earners and dropping out of the labor force to bear and raise children.

Before entering PSE, most male clients had earned hourly wages that would put them above the poverty level if they had been able to maintain steady employment. This was not true for females who earned near or below the minimum wage in clerical or low level service type jobs. Male clients generally appeared to have a stronger attachment to the labor force as is indicated by the fact that most of them did not voluntarily quit jobs in the year before PSE, but were generally laid off or terminated. Many male clients sought and held other jobs after they had been initially released. This was generally not true for women. They were less likely to have held a job in the year before PSE and if they did, they were quite likely to have voluntarily quit the job and not obtained another.

As far as welfare characteristics are concerned, there were no indications that a high percentage of the clients were chronic or long time continuous welfare recipients. In fact, a substantial proportion of all the clients had received no welfare (AFDC) prior to entry into PSE. Of those receiving AFDC payments, most had been on welfare for less than a year before entering PSE. A much higher proportion of men had relied on General Assistance grants or no welfare at all than was true for women. Of the men who were receiving AFDC payments, they had been on welfare for very short periods of time compared to women clients, and they generally received higher AFDC payments.

Overall, it appears that the male clients have had a better history of attachment to work and have had more substantial earnings in jobs that are quite different from those that have been held by females. However, the men do not have the educational qualifications the females have. Females, on the other hand, have been secondary wage earners during marriage and later as heads of households have tended to turn toward welfare payments as an alternative to extremely low potential earnings on jobs in mostly secondary labor markets.

Footnotes

[1] Income levels used initially to determine low income eligibility were the standards established under the proposed Family Assistance Plan (FAP) in 1969. Later, these income standards were revised upward to conform to the House passed welfare reform bill (HR 1).

[2] This includes regular Employment Service (ES) intake; ES outreach activity; and referrals from the WIN program.

[3] This encompasses a large variety of sources such as: employers who were going to lay the client off, friends and relatives, community groups, Vocational Rehabilitation, Legal Aid, parole officers, Community Action Agencies, hospitals, etc.

[4] A random sample in this program was not feasible due to: 1) time pressures to get the project under way, 2) the lack of knowledge about the size and location of the FAP eligibles in the state of Vermont. The fact that the client population in the PSE program is not a random sample of FAP eligibles obviously limits the extrapolation of the findings to the universe of FAP eligibles in the state.

[5] The type of problems that are most common to the clients in the PSE program include: lack of self confidence, family problems at home, total dependence on others, child care problems, transportation problems, lack of good grooming and basic hygiene, attitudinal problems (e.g., extreme defensiveness, feeling that he will fail, etc.), little knowledge of responsibilities in holding a job, back injuries and other physical disabilities. For other problems experienced by clients and a short note on the role of the coach, see Erica S. Burleson, "Role of Coach," mimeo, presented at Bolton Valley Conference, Vt., July, 1972.

[6] See Daniel E. Diamond and Hrach Bedrosian, Hiring Standards and Job Performance, Manpower Research Monograph #18 (Washington, D.C.: Manpower Adm., USDL, 1970).

[7] Males and females differed significantly in terms of marital status, $X^2=119.7; df=4; p<.001$.

[8] For an overview of the industrial and occupational distribution of employment in Vermont, see the following publications of the Research and Statistics Section, Vermont Department of Employment Security; The Labor Force in Vermont 1958-1967 (June, 1969) and its annual updates; Occupational Employment in Vermont (October, 1971).

[9] It may be surprising to the reader that 12 percent of the clients were classified as Professional, Technical or Managerial. Illustrative jobs of clients who were so classified include: teacher, social work case aide, caseworker, dietitian, nurse, manager of small business. Generally, these persons had severe attitudinal, health or personal problems that inhibited their efforts to hold a full-time job.

[10] This is not a particularly surprising finding with our knowledge of the demographic characteristics of the clients. Most of the female clients, it will be recalled, were either married or had been married previously. In addition, most of them had children. The traditional pattern for females is to marry and drop out of the labor force to raise children--at least for a few years. It is quite likely that most of the women followed this pattern and this would be a major factor in explaining their relatively shorter labor market experience when compared to men who remained in the market as the primary wage earner.

[11] Using the binomial test we find the following results: $z=4.7$, which indicates a significant difference, p .001.

[12] The client base is three hundred and twenty-nine persons for analysis of the following variables: Applicant's earned income in the 12 months before PSE; Family earned income in the 12 months before PSE; Client perception of a fair wage. In some cases there will be slightly fewer clients due to missing values. For all the other variables, the client base is 500 persons. The reason for the smaller number of clients used in analyzing the aforementioned variables is due to the fact that such data was not collected in the first several months of the project.

[13] In 1972, the poverty income for an urban family of four was $4,000 while it was $3,382 for rural families of the same size.

[14] Comparing the earned income for males and female clients in the PSE sample, we find that 78 percent of the males were at or below the urban poverty level, while 87 percent of the females were at or below this level. Sixty-seven percent of the men had earned income at or below the rural poverty level while 79 percent of the women were in similar positions.

[15] The mean client income ($\overline{x}$) was $1,344 and the standard deviation (s) was $1,606.

[16] Other statistics showing the difference between male and females are as follows: male, $\overline{x}=\$2,062$, $s=\$1,817$; females, $\overline{x}=\$828$, $s=\$1,198$. Testing the difference in the means by the t test, we find $t=6.95$; $p<.001$.

[17] For a discussion of the concept of a secondary labor market see M.J. Piore, "On the Job Training in the Dual Labor Market," in A.R. Weber, et. al. (eds) Public-Private Manpower Policies (Madison; IRRA, 1969) pp. 101-132; Bennet Harrison, "Public Employment and the Secondary Labor Market," in Proceedings of the Industrial Relations Research Association (December, 1971), pp. 288-295.

[18] Using the median test, the differences in male and female hourly earnings on the last job were highly significant ($X^2=114.8$; $df=2; p < .001$).

[19] It might be noted that there were no significant differences in the highest hourly wages of women who were heads of households and those who were not ($X^2=3.8; df=5; p > .70$).

[20] Every client after December, 1971, was asked by a counselor or a coach upon entry into the PSE program and before his job assignment the following question: "With your qualifications, what do you feel would be a fair hourly wage for an employer to pay you?"

[21] For the categorized data on fair wage for men and women in Table II-6, the chi-square test gave the following results, $X^2=135.8; df=5$; $p < .001$. Alternatively, using the standard t test to test for differences in mean fair wages for men and women, we find that the difference between means is significant, $t=7.5$; $p < .001$.

[22] A General Assistance grant could be made to a family head while he was waiting to be enrolled in or to receive AFDC payments, however.

[23] It is of interest to note that there is a reasonably strong negative relationship between amount of time on welfare before PSE and the highest wage ever earned ($r=-.20$; $p < .001$). This might indicate that those who had higher wage alternatives in the labor market would choose these over welfare as a source of income. Amount of welfare received had little relationship to the highest wage ever received ($r=.04$; $p < .17$).

[24] A detailed individual analysis shows that for 82 percent of the clients the time on welfare before PSE was the total amount of time they had been on welfare in the last five years. Eighteen percent of the clients had additional months on welfare beyond that in the period before PSE. These latter clients might have had some chronic history of being on the welfare rolls.

[25] As might be expected, the size of the welfare payment was definitely related to the number of dependent children (age 15 years or less). The Pearson coefficient of correlation between amount of welfare and number of children indicated a positive relationship ($r=.37$; $p < .001$) but it was not as high as would be expected if the number of dependent children was the only consideration. Evidently, many other factors influenced the size of the grant.

[26] Labor force participation rates for married men between 25 and 34 years of age, spouses present, in 1971 was 97.8 percent. For women who were widowed, divorced, separated, it was 60.9 percent (for single women it was 77.6 percent). See the Manpower Report of the President, 1972, op. cit., Table B-2, p. 193.

Chapter III

JOBS AND EMPLOYERS

The job slots developed for the clients are basic elements in a PSE program. In fact, the work slot is the focus of the PSE activity. Therein, the client's work experience is obtained, any new job skills are developed, and it is the beginning of the transition process that may eventually move the client into full-time permanent employment.[1] The nature and characteristics of the job slots developed and available for clients during PSE training, in effect, define the training work alternatives, income potential, and opportunities for skill development during PSE. Each of these factors could have significant effects on the overall work experience and success of the program. The purpose of this chapter is to examine some aspects of the job slots developed for PSE work experience in the Vermont E&D Project. Specifically, we shall do the following: 1) note the nature and process of PSE job slot development for work experience training; 2) review some of the basic characteristics of the slots developed--focusing on the number and types of jobs, hourly wages, hours of work, and the amount of federal subsidy necessary to entice the employer to take on a PSE slot; and 3) present a brief interpretive discussion on the slots developed for the clients enrolled in PSE.

PSE Job Slot Development

The manpower specialist in the local Employment Service office working with the E&D Project was the key figure in PSE slot development. It was his basic responsibility to identify and contact a potential PSE employer, and to develop the PSE job slot contract with him. The basic process for slot development was the following: 1) the manpower specialist identified potential PSE employers; 2) for state agencies that were possible employers, a letter was sent from the Director of the State Employment Service to the head of the agency describing the program, its objectives, and noting that the manpower specialist would be calling on him in the near future;[2] and 3) for all potential employers a personal contact by the manpower specialist was made to determine if it was feasible to develop a PSE training slot.

Since few potential public service employers, except the Employment Service, were involved in the development, design, or administration of the PSE program, the manpower specialists had to begin their work with a limited knowledge of effective procedures and market potential for PSE slot development. Initially, the selection of potential employers was done in a rather unsystematic way. For example, employers selected for contact were those readily visible and accessible public or non-profit institutions (e.g., school districts, colleges, state government agencies, etc.). In addition, the manpower specialists reviewed publications such as the Vermont Yearbook and the local telephone book to try to identify potential PSE employers.

The employers initially contacted, in some cases, were also able to indicate other non-profit employers who might be approached about PSE slots. As the manpower specialist became more familiar with the number and nature of PSE employers and the types of jobs offered by each category of employer, he was better able to direct his efforts toward specific types of slot development for clients with peculiar needs (i.e., jobs more consistent with specific client employability development plans) rather than simply to develop a job slot because he had contacted an employer and a particular job was available.[3]

The basic approach of the manpower specialist in the personal contact with an employer was to emphasize that this program gave the employer a chance to participate in a manpower program to assist "hard core" unemployed and welfare recipients become self-sustaining members of society. It was also noted that there was an economic advantage in participating due to the low cost additional labor during the work experience period.[4] If the employer was interested in providing work slots, it was stressed that he had responsibilities to the client (i.e., a stable work experience at a meaningful job, good supervision, and understanding of special problems that might arise) and that the job opportunity should replicate as nearly as possible (in terms of wages, fringes, etc.) a regular job with the employer.[5] Initially, it was requested that "where possible" PSE employers should try to retain satisfactory employees as permanent employees upon completion of the PSE work experience. Later in the program, the retention of satisfactory PSE trainees by the employer was a basic understanding in the development of PSE slots.

Objectives in Slot Development. In the development of work slots for clients in the PSE program, the Employment Service considered it important to develop jobs of satisfactory quality to meet the transitional goals of the program. It was not deemed sufficient to simply place the client in another job in the secondary labor market. Therefore, certain job slot characteristics were established as desirable objectives if they could be obtained by the manpower specialists in their negotiations with employers for PSE slots. Some of the most important and desirable objectives for negotiated slots were the following:

First, the job slot should pay, if at all possible, a minimum of $2.00 per hour. This, it was felt, would be considered at least a satisfactory wage by the trainees.[6] Such a wage would also potentially provide a minimally satisfactory income for families of four or fewer persons.[7]

Second, the job slot should provide for a full work week. This was important since a major objective of the program was to provide a regular full-time work experience for the client. Many of the clients, of course, in the past had only had sporadic work histories with short term or part-time type jobs. A full-time work week would generally mean a forty hour week, but in certain types of jobs and industries this could mean thirty-seven and one-half (37.5) or even thirty-five (35) hours per week.

Third, since a basic goal of the program was to transition the clients to regular employment after the subsidized PSE training terminated, it was important to get some commitment from the employer or an indication of his interest in the client and his performance. One approach to this was to have the employer commit some of his resources to the training of the client. Specifically, this could take the form of a reduced subsidy for the PSE training slot. Therefore, the operating objective was to negotiate slots with less than one hundred percent government subsidy-preferably ninety percent.

The final operating objective in slot development dealt with the number of slots to be developed with each employer. While the three previous objectives remained in effect as outlined for the most part during the entire Project, this one changed dramatically. At the inception of field operations, the early objective was to get a large number of slots among as few agencies as possible and to develop a pool of slots to have available for PSE clients as they came into the program.[8] For a number of reasons, this approach was abandoned during the second year of operations.[9] During the last two years of the Project, the emphasis changed to the development of individual slots for particular clients with only a few slots per employer.[10]

The data presented in Table III-1 indicate how well these particular operational goals were achieved in new slot development[11] during: 1) three roughly comparable sample time periods at different stages of the E&D Project;[12] and 2) for the entire Project experience. In addition, information is presented summarizing the distribution of new slots by type of job as well as the distribution of new slots by type of industry.

TABLE III-1

Characteristics of New PSE Slots Developed

New Slot Characteristics	New Job Slot Development			
	Initial[a] Period	Middle[b] Period	Late[c] Period	Entire[d] Program
No. of New Slots	89	104	34	548
Pct of New Slots ≥ $2.00/hr	65%	91%	94%	86%
Pct of New Slots < 100% Subsidy	3%	57%	71%	53%
Pct of New Slots ≥ 35 Hrs Weekly	87%	95%	88%	92%
Avg No. of New Slots per Emplyr	4.2	2.0	1.3	3.7[f]
Pct of New Slots by Job Type (DOT)[e]				
Prof,Tch,Mgrl 0 1	15%	25%	27%	23%
Clericl,Sales 2	23	27	35	24
Service 3	53	30	32	37
Farmg,Frstry 4	1	0	0	1
Processing 5	0	0	0	0
Mach. Trades 6	0	1	0	1
Bench Work 7	0	0	0	1
Structural 8	7	16	3	11
Miscellaneous 9	1	1	3	2
Pct of New Slots by Type Industry[e]				
Education	71%	40%	24%	35%
Hospital/Health	3	11	24	16
State Gov't	12	18	30	18
Child Care	6	11	6	8
Social Services	1	1	3	2
City Gov't	1	3	3	6
Other Non-Profit	4	16	12	15

[a] Includes contracts developed from 12/14/70 to 3/1/71.

[b] Includes contracts developed from 12/14/71 to 3/1/72.

[c] Includes contracts developed from 10/2/72 to 1/15/73.

[d] Includes all contracts developed from 12/14/70 to 1/15/73.

[e] Columns may not sum to 100 due to rounding.

[f] Average number of new slots per contractor over the period from 12/14/70 to 1/15/73.

Reviewing the data in Table III-1, it appears that the operating goals with regard to job slot development were more effectively achieved as experience was obtained and the Project progressed. Upon examining the data for the "Initial Period," which included the first two and one-half months of slot development activity, we can see that the goals were not met as effectively as was the case in the later two periods. During the first months of field operations, only two-thirds of the jobs developed had wages of at least $2.00 an hour, and only three percent of the slots were not completely subsidized.[13] However, most of the jobs were full-time jobs (i.e., having thirty-five hours or more work each week) and there were generally several slots developed with each employer (far fewer, however, than the goal at this time). The majority of the slots developed were service and clerical jobs located in the education industry (public schools, colleges) and in state government. In the "Middle" and "Late" sample periods, we see dramatic increases in the percentage of slots developed which had wages of at least $2.00 an hour and having less than one hundred percent subsidy. The percentage of new slots with full-time work weeks increased somewhat and there was a significant decrease in the number of slots per employer with the change in emphasis from pool to individual slot development. In addition, more jobs were developed in the professional, technical and managerial classification as well as increases in clerical and structural type jobs. There was a notable decrease in the number of service job slots developed. Finally, the job slots developed were distributed more widely throughout the different industries as the Project matured. It appears that throughout the Project there was a decreasing emphasis on job development in education and an increasing emphasis on hospital and health as well as state government and other non-profit type organizations.

The last column in Table III-1 entitled "Entire Program" gives an indication of goal achievement and slot characteristics for all the new slots developed during the major part of the E&D Project. Of the 548 new slots developed during the two years of slot development activity, we can see that the vast majority of slots equalled or exceeded the $2.00 an hour wage objective and also met the full-time employment goal of at least thirty-five hours of work per week. There appears to have been less success in achieving slots that were less than one hundred percent subsidized, however. In terms of the average number of slots per employer, it is more difficult to determine if the goal was met due to the change of objectives after the first several months of operation. Since the 3.7 figure denotes the average over roughly two years of slot development, and many contractors had new contracts with new slots after their initial contract expired, this would indicate about 1.8 slots developed per employer each year. This rough estimate would be close to the second goal of few slots per employer which predominated throughout the greater portion of the Project.

As far as the types of jobs developed as PSE slots are concerned, we can see that the jobs were concentrated in three areas: 1) Service type jobs, 2) Clerical and 3) Professional, Technical and Managerial. Service type job slots were by far the most numerous. These three classifications accounted for eighty-four percent of all the jobs developed. Structural work (usually institutionally related semi-skilled carpenters, plumbers, etc.) was the only other category to have a substantial proportion of the job slots. In terms of the type of industry in which the slots were located, we see that the Education industry was by far the largest provider of PSE slots. State Government and Hospital/Health were other major industries where significant numbers of slots were developed. A surprisingly small proportion of the total slots was developed in city government.[14]

In short, it appears that the goals in PSE slot development relating to slot characteristics were achieved fairly well for wages, hours and average number of slots per employer when looking at the entire PSE experience. Less success, however, was met with obtaining some contribution by the employer to the cost of the PSE slot (i.e., in form of less than one hundred percent subsidy). This might be of significance in the sense that it could indicate a lack of commitment or financial ability on the part of the employer to retain the client who fills the slot.[15] It also appears that as time progressed in the Project, improvement was made in achieving each of the job slot goal characteristics and in developing a more diversified set of jobs in various public and non-profit industries.

Characteristics of PSE Slots

At this point, let us turn to a more detailed examination of the basic characteristics of the PSE slots developed during the Vermont Experiment. Specifically, we will want to continue our exploration of the number and types of jobs, the hourly wages offered, the hours of work, and the amount of subsidy to the employer. To provide insights into differential job characteristics, the data will be presented in tables showing the slot characteristic by type of job and type of employer. Averages (mean values) will be used in the tables for summary purposes. Where appropriate more detailed information will be presented.

Number of Job Slots. The discussion of Table III-1 in the previous section has noted the major employers and job types in terms of the number of slots developed. Table III-2 combines this information to show how many new slots of each type of job were developed with each major category of employer. From a review of the information presented in the Table, it appears that certain types of employers have a propensity for providing specific kinds of job slots. From the data presented, we can formalize this observation and determine the most important type of job developed with each category of employer. Two different approaches can be used in determining which kinds of jobs seem to be most significant for each employer. First, a very simple but meaningful approach is to determine which type of job had the largest number of slots for an employer. This, of course, provides a one dimensional numerical indication of what one type of job an

TABLE III-2

Number of New Slots by Major Type of Employer and Job

Major Type of Employer	Job Types (DOT Code)									Total No. of Slots
	Prof,Tech, Mgrl 0-1	Cler-ical 2	Ser-vice 3	Frmg. Frstry 4	Process-ing 5	Mach Trdes 6	Bench Work 7	Struc-tural 8	Misc. 9	
Education[a]	23	36	110	1	-	-	2	18	3	193
Hospitals/ Health[b]	36	15	34	-	-	1	1	3	-	90
State Gov't[c]	34	50	8	2	-	-	-	2	-	96
Child Care[d]	11	4	27	-	-	-	-	4	-	46
Social Service[e]	-	9	-	-	-	2	-	-	-	11
City Gov't	1	3	11	2	-	3	-	8	3	31
Other Non-Profit[f]	22	13	12	-	-	-	4	28	2	81
Total Slots	127	130	202	5	0	6	7	63	8	548

[a] This includes grades 1 through 12 and College.

[b] Only one of the hospitals was a state hospital-a mental hospital.

[c] This includes state government agencies in the following areas: Public Health, Vocational Rehabilitation, Social Services, Employment Security, Other.

[d] This includes CAA day care and other day care for children.

[e] This includes non-state social services, legal services, youth services.

[f] This includes all other CAA activities in which slots were developed and other non-profit organizations (e.g., charitable, regional development, etc.).

employer, in terms of new slots, was most often able to provide. A second, somewhat more complex approach in determining the basic type of job(s) developed with an employer uses the following criteria: 1) the number of slots for a job type should be a major proportion of all slots developed for that employer and, 2) it should be a significant proportion of all of the slots developed for that type of job. Using operational definitions for each approach, the major types of jobs for each employer are presented in Table III-3.[16] An examination of the information presented in the Table indicates that generally similar, but not identical, results are obtained using the first and second approach. The basic differences are that while the first approach, by definition, limits the major type of job slot to only one type, the second approach allows for more than one job category (measured on two dimensions) to be included as major type jobs for any employer. Also, of course, with the second approach a type of job may be considered a major one for an employer even though it did not have his largest number of slots (e.g., see City Gov't).

The information presented in Table III-3 is useful in providing a better understanding of the major kinds of PSE slots developed with particular types of employers in the Vermont Experiment. Also, it should aid in providing rough guidelines for the future PSE job slot development. Manpower specialists should have a better idea of what type of employer to approach in terms of maximizing the probability of obtaining the type of job slot he is interested in developing for clients. His efforts

TABLE III-3

Major Jobs Developed With Each Type of Employer: Two Approaches

		First Approach		Second Approach		
Major Type of Employer	Employer Pct. of all Slots[a]	Major Type Job Slots Developed[b]	Job Type as Pct. of All Emplyr Slots[d]	Major Type Job Slots Developed[b]	Employer Pct of Total Slots in Job Type[c]	Job Type as Pct of All Emplyr Slots[d]
Education	35%	Service	57%	Service	54%	57%
Hospitals/ Health	16%	Prof, Tech	40%	Prof, Tech Clerical	28% 17%	40% 38%
State Gov't	18%	Clerical	52%	Clerical Prof, Tech	38% 35%	52% 27%
Child Care	8%	Service	59%	Service	13%	59%
Soc Service	2%	Clerical	82%	Clerical	7%	82%
City Gov't	6%	Service	35%	Structural	13%	26%
Other Non-Profit	15%	Structural	35%	Structural Prof, Tech	44% 17%	35% 27%

Source: Data presented in Table III-2.

[a] This is obtained by taking the total number of new slots developed with an employer and dividing it by the total of all slots developed.

[b] These are major DOT code employment categories.

[c] This is obtained by taking the number of new slots developed with a type of employer in a job category (e.g. Service) and dividing it by the total number of new slots developed in that job type (e.g. Service).

[d] This is obtained by taking the total number of new slots developed with a major type of employer in one job type (e.g., Clerical) and dividing it by the total number of new slots developed with that type of employer.

can be more clearly focused and the rudiments of a job development strategy can be formulated.[17]

Wages in Job Slots. As has been indicated before, the wage rate of the PSE job slot is one of the potentially most important elements that may affect the success of the work experience. If the client feels that he is being poorly paid or that there are better income alternatives to working (e.g., welfare), then this would very likely reduce the probability of a successful transition experience. The data in Table III-4 provides information regarding the hourly wage rates developed in the PSE slots.[18] Specifically, the average wage for each type of major employer by each category of job is given with the total average wage for each employer and job category presented as marginal summaries.

Perhaps the first thing to note is that the overall average wage for all new slots developed was $2.18 per hour. This, obviously, exceeds the minimum standard of $2.00 per hour established at the beginning of the program. However, from the Table we can see that the average wage for some specific jobs with particular employers did not meet the $2.00 basic standard. It may prove meaningful to further explore wages by jobs and employers. For example, we should try to determine if there are particular types of employers and jobs which generally exhibit higher paying or lower paying characteristics. We will define "higher paying" employers (or jobs) as those in which the total average wage for a specific employer (or job) category equals or exceeds the overall average wage. The "lower paying" ones will be those with total averages less than the overall average wage.

TABLE III-4

Average Wage by Major Type of Employer and Job

Major Type of Employer	Job Types (DOT Code)									Total Avg. Wages
	Prof, Tech Mgrl 0-1	Cler-ical 2	Ser-vice 3	Frmg, Frstry 4	Process-ing 5	Mach Trdes 6	Bench Work 7	Struc-tural 8	Misc. 9	
Education[a]	2.10	1.97	2.07	1.80	-	-	2.00	2.46	2.20	2.09
Hospitals/ Health[b]	2.22	2.08	2.04	-	-	1.65	1.90	2.05	-	2.12
State Gov't[c]	2.63	2.06	2.18	2.12	-	-	-	2.53	-	2.28
Child Care[d]	2.20	2.13	1.87	-	-	-	-	2.18	-	2.00
Social Service[e]	-	2.01	-	-	-	2.00	-	-	-	2.00
City Gov't	2.70	2.38	2.63	2.25	-	2.57	-	2.13	2.50	2.43
Other Non-Profit[f]	2.49	2.04	2.02	-	-	-	2.25	2.58	2.25	2.36
Total Avg. Wage	2.35	2.04	2.07	2.18	-	2.23	2.13	2.44	2.36	2.18

[a] This includes grades 1 through 12 and College institutions.

[b] Some of the hospitals are state hospitals.

[c] This includes state government agencies in the following areas: Public Health, Vocational Rehabilitation, Social Services, Employment Security, Other.

[d] This includes CAA day care and other day care for children.

[e] This includes non-state social services, legal services, youth services.

[f] This includes all other CAA activities other than day care, and other non-profit organizations (e.g., charitable, regional development, etc.).

Applying this criterion to the total average wage for employers, we find that the higher paying employers (i.e., those whose total average equals or exceeds $2.18) include the following: City Gov't, Other Non-Profit, and State Gov't. These employer groups contain thirty-eight percent of all new slots developed. Lower paying employers (i.e., those whose total average wage is less than $2.18 per hour) include: Child Care, Social Services, Education, and Hospitals/Health. This procedure, with the same criterion but carried out with job type categories, indicates that on the average the following jobs can be classed as "higher paying" jobs: Structural, Professional-Technical-Managerial, Machine Trades, and Miscellaneous. The lower paying job types, on the other hand, are: Clerical, Service, and Bench Work.

In order to pursue the analysis further, Table III-5 has been developed. In this Table, the average wage and number of slots for lower and higher paying employers are presented in matrix form with the lower and higher paying types of jobs. From this data, some important points can be made regarding PSE job slots developed in Vermont.

First, it appears that both type of employer and type of job have important effects influencing the relative wage rate. Upon examining wages for lower paying employers, for example, we find that they pay less on the average than higher paying employers for both low and high paying jobs. From the job perspective, higher paying jobs have higher wages on the average for both lower and higher paying employers than lower paying types of jobs. This can be considered a joint job-employer "halo"

TABLE III-5

Average Wages and Number of Slots for Employers and Jobs in High-Low Paying Classifications

Employer Categories	Job Categories		Employer Average (Total)
	Low Paying[a]	High Paying[b]	
Low Paying[c]	$2.03/hr (238)	$2.21/hr (102)	$2.08/hr (340)
High Paying[d]	$2.14/hr (101)	$2.52/hr (107)	$2.34/hr (208)
Job Average (Total)	$2.06/hr (339)	$2.36/hr (209)	$2.18/hr (548)

[a] This category includes Clerical, Service, and Bench Work.

[b] This category includes Structural, Prof-Tech-Mgrl, Machine Trades and Miscellaneous.

[c] This category includes Child Care, Social Services, Education, and Hospitals/Health.

[d] This category includes City Gov't, State Gov't, and Other Non-Profit.

or carryover effect on wages. In terms of maximizing the potential hourly wage for job slots developed, one would probably want to avoid developing low paying type jobs (e.g., Clerical, Service, etc.) with low paying type employers (e.g., Education, Child Care, etc.) and focus on developing lower paying jobs only with high paying type employers (e.g., City Gov't, State Gov't, etc.). Of course, emphasis would be placed on developing high paying jobs with both low and high paying employers.

Next, upon examining the distribution of new slots in the four cells of the matrix, one observes a significant difference in the allocation of slots among low paying and high paying jobs for low and high paying employers ($X^2=25.15; df=1; p<.001$). Low paying type employers tended to provide more slots that were in low paying job types as a proportion of their total (70%) than was the case for high paying employers (49%).[19] From the Vermont data, then, it appears that industries and types of employers that tended to pay low wages generally for all kinds of jobs generated substantially more slots that were in types of jobs that are traditionally poorly paid (e.g., Clerical, Service) while employers that tended to pay generally higher wages for all kinds of jobs developed similar numbers of low and high paid type jobs.

Hours in Job Slots. The hours of work in the PSE job slots are important for two basic reasons. First, one objective of the program is to provide a full-time work experience for the client. This, of course, requires that the hours on the job be long enough to provide such experience. Second, the number of hours worked, in conjunction with the hourly wage, determines the amount of earned income. To some extent, the hourly wage rate and hours worked can be substituted for one another to maintain an earned income level. Therefore, if there is a certain earnings level that is desirable for the clients to attain (and/or exceed) in their PSE experience, (e.g., poverty level) within limits it may be important to have higher hours worked if the job slot hourly wage is low.

Table III-6 presents the average hours for each major employer by each category of job with the total average hours for each employer and job category presented as marginal summaries. In the Table we note that the overall average for all job slots developed is 38.6 hours per week. This obviously exceeds the 35 hour criterion of full-time employment discussed earlier in this chapter as well as the 37 hour average total work week in the private sector.[20] In addition, upon reviewing each cell in Table III-6 it is apparent that all of the averages equal or exceed 35 hours per week. From this data we can assume that, on the average, each of the job types for each kind of employer provides a full-time work experience--and this meets the initial goal stated above.

With regard to the second goal (i.e., sufficient hours in combination with the wage rate to meet minimum income goals), we will refer to the information presented in each of the Y columns of Table III-8 (for the present we will ignore the symbols in the "S" columns which are to the right of the "Y" columns). The symbols in the Y columns for each job and employer category indicate whether or not the average expected income from the type of job and employer indicated by any specific cell meets certain minimum levels.[21] For example, an "X" in the column for any specific employer-job combination indicates that the expected annual gross earned income for those clients in that cell would equal or exceed $4,200 (approximate 1973 poverty level net income).[22] If an "Ω" is in the cell, this indicates that the expected annual gross earned income for those clients in that cell would equal or exceed $4,000 (approximate 1972 poverty level net income) but would not reach $4,200. If a "0" is in the cell,

TABLE III-6

Average Hours by Major Type of Employer and Job

Major Type of Employer	Job Types (DOT Codes)									Total Avg. Hours
	Prof,Tech Mgrl 0-1	Cler-ical 2	Ser-vice 3	Frmg, Frstry 4	Process-ing 5	Mach Trdes 6	Bench Work 7	Struc-tural 8	Misc. 9	
Education[a]	38.2	36.8	37.7	40.0	-	-	40.0	40.0	35.0	37.8
Hospitals/Health[b]	39.7	39.3	40.0	-	-	40.0	40.0	40.0	-	39.9
State Gov't[c]	39.8	39.2	38.7	42.5	-	-	-	40.0	-	39.4
Child Care[d]	40.0	36.2	37.7	-	-	-	-	40.0	-	38.3
Social Service[e]	-	39.4	-	-	-	40.0	-	-	-	39.5
City Gov't	40.0	37.5	41.1	40.0	-	40.0	-	40.0	40.0	40.1
Other Non-Profit[f]	37.9	38.8	35.2	-	-	-	40.0	38.9	40.0	38.1
Total Avg. Hours	39.2	38.4	38.2	41.0	-	40.0	40.0	39.4	38.1	38.6

[a] This includes grades 1 through 12 and College institutions.

[b] Some of the hospitals are state hospitals.

[c] This includes state government agencies in the following areas: Public Health, Vocational Rehabilitation, Social Services, Employment Security, Other.

[d] This includes CAA day care and other day care for children.

[e] This includes non-state social services, legal services, youth services.

[f] This includes all other CAA activities other than day care and other non-profit organizations (e.g., charitable, regional development, etc.).

it indicates that the gross annual expected earned income would be less than $4,000. To illustrate the use of Table III-8, let us turn to "Other Non-Profit" as a major type of employer in that Table. For "Prof,Tech,Mgrl" type jobs for this type of employer in column Y of the cell, we note that there is an "X". This would indicate that for this type of job with this type of employer, given the average wage rate and hours of work we have determined, the clients probably will have a gross annual earned income of $4,200 or more. Using the same employer but moving to the "Clerical" type jobs, in column Y we find a "Ø" symbol. This indicates that for clerical jobs with other non-profit employer types, on the average we would expect the gross annual earned income to be at least $4,000 but not as high as $4,200. Finally, moving to the "service" type jobs with the same employer, we find an "O" in the Y column of the cell. This, of course, indicates that a client would be expected, on the average to earn less than $4,000 a year working in that kind of job for that employer type. In short, Table III-8 can, with a glance at column Y for each cell, give a very quick indication of what types of jobs and employers in combination one can expect, on the average, to meet certain earnings expectations. Using the information in Table III-8 with that in Table III-2 (number of slots by employer and job types) we can tell how many slots will meet each of the expected earnings levels. On an overall basis, about fourteen percent of the slots developed would be included in job-employer categories which would not be expected to earn, on the average, the $4,000 minimum per year. Forty-two percent would be in job-employer slots that we would expect to earn $4,000 per year but not $4,200. Finally, forty-four percent of the slots are in job-employer cells in which we would expect a client to earn, on the average, $4,200 or more per year. If the objective is that the clients should gross at least $4,000 per year (or be working for weekly incomes that would be equivalent to that sum over the period of a year), then a substantial eighty-six percent of the slots had hours and wages which, on the average, would meet this goal. If the earnings objective is raised to $4,200 per year (or the equivalent weekly earnings), then only forty-four percent of the slots on the average could be expected to meet the goal.

Now let us turn our attention to the question of whether it is the length of hours in the work week or the wage rate that seems to create low earnings problems. Using the data presented in Tables III-2, III-4, III-6, and III-8, we find that about sixty-two percent of the slots that would not be expected to earn $4,000 over a year would, in fact, reach that earnings level with their current average wage if the work week was lengthened to forty hours. These slots only provided for an average work week of 36.4 hours with an average hourly wage of $2.00. On the other hand, thirty-eight percent of the slots whose average expected income would not reach $4,000 annually had wages so low ($1.86/hr average) that even if the average work week was extended to forty hours, they would still not meet the income objective.

For those slots that, on the average, would have an earned income at the rate of at least $4,000 per year but would not attain $4,200 in earnings, ninety-four percent (218 slots) could have reached or exceeded the earnings rate of $4,200 per year by providing a forty hour work week. Only six percent of the slots in this category had wages that would not allow achievement of the $4,200 income level with a forty hour work week.

In both of the above cases where wages have been satisfactory to meet the earnings goals with a forty hour work week but the goals were not met due to shorter hours, we might say that perhaps the hours should be adjusted upward and this would satisfy the goals of full-time work experience and also the achievement of an earnings rate that is at least minimally acceptable. However, in many cases with public and non-profit private employer, of course, the hours that the organization's employees work are either set by law, union contract, or established by long custom and it is not possible to increase the hours worked weekly in any substantial sense without paying premium rates for overtime or perhaps making the employee feel that he is being overworked compared to his peers.[23] If this is the case, then hourly wage rates must be seen as inadequate for the hours that can be worked and they assume major importance in meeting the earnings criteria for PSE trainees.

Subsidy in Job Slots. As has been pointed out before, the level of subsidy to a PSE employer is one potential indicator of employer commitment and/or interest in the PSE client. The Vermont manpower specialists attempted to obtain some level of financial input by the potential PSE employer when the job was developed. A one hundred percent subsidy was simply providing free labor for the employer with little tangible expression of interest by the employer about an investment in the PSE client.

Table III-7 presents the average level of subsidy for each major employer by each category of job with the total average subsidy for each type employer and job category presented as marginal summaries. From the data presented, it is obvious that certain types of employers had greater subsidy levels than others.[24] Generally, highly subsidized employers included those in Education, Hospitals/Health, and State Government. Each of these had total average subsidy levels exceeding ninety-five percent. While State Government was the most highly subsidized type of employer, the lowest level of total average subsidy was exhibited by City Government.

Let us turn to a more detailed look at job subsidies in the PSE Program. Considering the overall average subsidy for all slots developed (i.e., 94.3%) and the range for all the cell values in Table III-7, we can define those employer-job slots that have ninety-five percent or greater subsidy as highly subsidized, while those with subsidies below ninety-five percent can be considered "lower" subsidized. Turning to the "S" column for each job type in Table III-8, we can summarize the subsidy levels for each job slot category by employer type. In Table III-8, if the average subsidy for the slots in a job-employer cell is a low subsidy (i.e., less than 95%), and "X" is noted in the S column. If the subsidy is a high subsidy (i.e., 95% or greater), then a "O" will be indicated. The assumption, of course, is that a lower subsidy is better since: 1) it is likely to be an indication of employer commitment or interest in the

TABLE III-7

Average Percentage of Wage Subsidy by Major Type of Employer and Job

Major Type of Employer	Job Types (DOT Code)									Total Avg. Subsidy
	Prof,Tech Mgrl 0-1	Cler-ical 2	Ser-vice 3	Frmg, Frstry 4	Process-ing 5	Mach Trdes 6	Bench Work 7	Struc-tural 8	Misc. 9	
Education[a]	97.4	95.0	94.4	100.0	-	-	100.0	98.5	100.0	95.4
Hospitals/Health[b]	93.0	99.3	98.2	-	-	90.0	90.0	90.0	-	95.9
State Gov't[c]	96.3	98.2	95.0	95.0	-	-	-	100.0	-	97.2
Child Care[d]	90.9	90.0	92.3	-	-	-	-	90.0	-	91.6
Social Service[e]	-	89.8	-	-	-	90.0	-	-	-	89.9
City Gov't	90.0	85.0	87.3	90.0	-	90.0	-	90.0	90.0	88.6
Other Non-Profit[f]	91.4	91.5	87.5	-	-	-	97.5	90.3	100.0	91.0
Total Avg. Subsidy	94.2	95.6	94.0	94.0	-	90.0	97.1	92.9	96.2	94.3

[a] This includes grades 1 through 12 and College institutions.

[b] Some of the hospitals are state hospitals.

[c] This includes state government agencies in the following areas: Public Health, Vocational Rehabilitation, Social Services, Employment Security, Other.

[d] This includes CAA day care and other day care for children.

[e] This includes non-state social services, legal services, youth services.

[f] This includes all other CAA activities, other than day care, and other non-profit organizations (e.g., charitable, regional development, etc.).

client, and 2) it allows government funds not tied up in one slot to be used elsewhere in new job development opportunities. Now, glancing down the S column we can quickly obtain an idea of which type of jobs and employers (and any combination thereof) have high and low levels of slot subsidy. Using Table III-2 with Table III-8, the number of slots with high or low subsidy can be determined. For example, as a summary statistic, we find that the average level of subsidy is low in job-employer categories accounting for fifty-two percent of the slots. By our rough measures this indicates that there was some potential capability and/or commitment for absorption of the PSE clients into the regular work force in slightly over one-half of the slots developed with employers.

Slot Characteristics: A Summary. It may be useful at this point to bring together the information that has been discussed in detail and present it in a summary form. The data presented in Table III-8 is an attempt to synthesize much of the material presented in this chapter in a quick reference form. We have previously used parts of the Table, but now we direct attention to the entire Table. It will be recalled that the symbols under the "Y" column represent expected annual earnings (hours of work x hourly wage level) and the symbols under column "S" represent level of subsidy. Each job-employer cell in the Table has two symbols. From these symbols we can obtain an indication of which jobs and employers tend to have characteristics that meet certain criteria.[25] For example, "City Gov't" as an employer has "XX" for all of the slots. This means that all of the slots,

TABLE III-8

Income and Subsidy Aspects
of PSE Slots by Job and Employer Type

Major Type of Employer	Job Types								
	Prof,Tech Mgrl YS	Cler-ical YS	Ser-vice YS	Frmg, Frstry YS	Process-ing YS	Mach Trdes YS	Bench Work YS	Struc-tural YS	Misc. YS
Education	ØO	OO	ØO	OO	--	--	ØO	XO	ØO
Hospitals/ Health	XX	ØO	XO	--	--	OX	OX	XX	--
State Gov't	XO	ØO	XO	XO	--	--	--	XO	--
Child Care	XX	ØX	OX	--	--	--	--	XX	--
Social Service	--	ØX	--	--	--	ØX	--	--	--
City Gov't	XX	XX	XX	XX	--	XX	--	XX	XX
Other Non-Profit	XX	ØX	OX	--	--	--	XO	XX	XO

Key to Table:

Y=Expected gross income from the slot in a specific job and industry.

Meaning of symbols under Y column:
O=Expected yearly income, given average wage and hours, is less than $4,000.
Ø=Expected yearly income is greater than $4,000 but less than $4,200.
X=Expected yearly income is greater than $4,200.

S=Percentage of subsidy for slot (proxy for employer commitment).

Meaning of symbols under S column:
O=Subsidy to employer is 95% or greater.
X=Subsidy to employer is less than 95%.

on the average, had earnings that would equal or exceed $4,200 per year and also had less than ninety-five percent subsidy for the slots. Jobs developed with City Gov't, then would appear, on the average, to be somewhat more desirable in terms of earnings as well as subsidy than Education as an employer where there were lower earnings potentials and higher rates of subsidy on the average (as is indicated by the number of ●O and OO symbols in job-employer cells). The same type of comparison can be made between any two or more job-employer cells in the Table to compare jobs and/or employers in terms of job characteristics. Reference to Table III-2 will give the reader an exact count of the number of slots in each of the job-employer cells.

Summary and Comments

This chapter has focused on the job slots developed for PSE clients in the Vermont E&D Project. We began by noting the procedure and guiding objectives for job slot development. In general, it was found that as time progressed and the manpower specialists gathered experience, more effective methods of slot development were implemented and the objectives, in terms of number of slots per employer, wage rates, hours of work, and percent subsidy of employers were better met. While over the length of the project, a variety of types of employers were involved in the PSE Program, the slots were still concentrated within certain job-employer categories. For example, most of the slots were developed with the Education, Hospital/Health, and State Government type employers in jobs classed as Service, Clerical, and Professional-Technical-Managerial (with Service type jobs predominating).

In a more detailed analysis of the characteristics of PSE job slots, a number of findings emerged. First, it was noted that certain classes of employers tended to provide certain types of jobs to a notable extent. Using two different approaches, the major type job(s) contributed by each employer was identified. Second, an examination of the wages for PSE slots indicated that, in general, the wage goals of the program had been met, but that there were identifiable types of employers and types of jobs which could be classed as either higher or lower paying. It was shown that both the type of employer and the type of job have important joint effects influencing the wage rate of the PSE slot. In addition, it was demonstrated that the types of employers that tended to pay low wages generally for all kinds of jobs generated substantially more slots that were traditionally low wage type jobs than was the case with employers that generally paid higher wages. Third, a detailed review of the hours of work for the slots developed indicated that in the vast majority of cases the equivalency of full-time work experience was established in the PSE slots. However, in some cases, the hours of work when coupled with the wage rate paid for certain slots did not provide earnings that would meet current poverty level standards of income. This may mean that the hours of work are not long enough (since many could have reached minimally satisfactory income levels if they had worked a forty hour week) or in cases where institutional constraints limit the work week, the problem must be attributed to wage levels that were too low given the available hours for work to meet minimum income objectives. Finally, with regard to the percentage government subsidy for employers providing PSE job slots, it was found that in general, a rather high level of subsidy was required to get employers to take on the clients in job slots. Overall, only slightly over one-half of the slots made available were with employers who were able or willing to take on the clients through a PSE slot with less than a one-hundred percent subsidy.

In conclusion, a table was presented which summarized the earnings and subsidy characteristics of the slots in an employer-job type matrix. Such a table could prove to be useful in the development of a strategy for PSE job slot development in the future. From it and supporting tables, one can determine the types of employer and job that have the characteristics necessary and desirable for certain clients or for certain program objectives.

Footnotes

[1] The reader may wish to review the model of the transitional process presented on page I-9, Chapter I.

[2] For a copy of the letter sent to employers, see "Procedural Guide #4, Attachment 3" in Stella B. Hackel, Procedural Guides for Vermont Experimental and Demonstration Manpower Activities, May 1, 1971 (Processed).

[3] This was consistent with the changing emphasis in the program to shift from development of a large pool of slots for client placement to an individualized slot development and/or individualized placement in available slots. This change in emphasis took place about five months after the beginning of job slot development.

[4] For additional information, see "Procedural Guide #4, Attachment 1," which is entitled "A Checklist of Suggested Marketing Techniques for Promoting Special Work Training," in Stella B. Hackel, Procedural Guides . . ., op. cit. Also, see this publication for illustrative forms and discussion on marketing PSE jobs.

[5] For a lucid description of the marketing techniques and discussion of the results, see Stella B. Hackel, Vermont E&D Manpower Activities: Supplemental Proposal for Second Year E&D Work, May 1, 1971 (Processed). See especially pp. 34-35, 38-39, and 40-45.

[6] This turned out to be an accurate estimate of what the clients did in fact feel to be a fair wage. It will be recalled from Chapter II that the median value of a fair wage for the clients was $2.00. This was also the median value for the highest wage ever earned by the clients in the program.

[7] The gross income from such a wage for a 40 hour week and a 52 week year would be $4,160, which would exceed the 1972 net income poverty level of $4,000 for a family of four. This would be slightly below the net income level of $4,200 which is the 1973 poverty level.

[8] See, for example, Stella B. Hackel, Vermont FAP Manpower Planning and Pilot Activities: Experimental and Demonstration Manpower Project on Special Work Projects for the Unemployed and Upgrading for the Working Poor, June 18, 1970 (Processed) p. 20. Initially, it was hoped that each PSE employer would provide at least 10 slots.

[9] Some specific reasons for abandoning the pool approach to slot development included: The problem of employers becoming disgruntled due to the fact that a negotiated slot with them might never be filled; Project money was tied up in slot commitments that were not used; and, in many cases, the slots available in a pool did not meet the employability development needs of the clients.

[10] See Vermont DES, "Report on Project Operations and Plans for Research and Project Documentation," (Processed) presented at Bolton Valley, Vt. on July 18, 1972, Table H for the effects on client completion of the "pool" versus "individual" method of slot development as interpreted by the Vermont DES.

[11] The term "new slots" or simply "slots" in this report signifies work experience slots that are developed for the first time. These will not include slots that were developed previously and are renewed under a new or extended contract with a PSE employer. However, if an employer has some new slots developed as well as some previous slots renewed, the new slots only will be counted as additional slots.

[12] The three sample periods were picked to simply illustrate job slot development as roughly comparable times in the year during the field activity of the Project. They, in no way, are intended to have scientifically valid representativeness of any particular year nor of the total universe of slots for a year. They are simply "snapshots" of the job slot development activity during the progress of the Project which indicates the achievement of slot objectives at a particular time.

[13] It is to be noted with regard to subsidies during the first year of operation, the Project would fund 100 percent of wages only, whereas in the final two years of the Project, 90 percent of total costs (including fringe benefits) were funded except where it was impossible to get the employing organization to fund part of the cost.

[14] This could be partly due to the fact that the E&D PSE Project was competing with the Emergency Employment Act PSE Program during the later part of 1971, all of 1972 and 1973 for job slots with local public employers.

[15] The amount of subsidy may not be a valid indicator of commitment on the part of the employer in all cases. For example, with many state agencies, there was 100 percent subsidy simply because strict budget appropriations for the fiscal period left little monies available for use in the PSE Program.

[16] Operational definitions for the second approach will be the following:

1) "a major portion of all slots developed for that employer" will be slots for any job that exceed 25 percent of total slots for the employer.
2) "a significant proportion of all of the slots developed for that type of job" will be if the proportion of slots for an employer in a certain job category exceeds the ratio of all the employer slots to all new slots developed (i.e., the employer provided more than his expected proportion of slots in that one job area.)

[17] Additional information on job wages, hours, and subsidy will of course be needed to formulate a job development strategy; This information will be provided in the remainder of the chapter.

[18] Table III-4 should be used in conjunction with Table III-2 to determine the number of slots for each average wage in the employer-job cells.

[19] It is interesting to refer back to Table III-3. Using the job categories determined to be most important for a particular employer as determined by the second approach, it seems as if higher paying types employers tend to provide higher paying job types as their most important jobs while the lower paying employers tend to provide the lower paying jobs as their most important job types.

[20] See the 1972 Manpower Report of the President (Washington, D.C., USDL, Manpower Administration, March 1972) Table C-3 for annual average work week for 1971.

[21] The average expected earned income for each job-employer cell was calculated in the following way: 1) for each cell in Table III-6, the average weekly hours of work was multiplied by the average hourly wage for that specific job-employer cell in Table III-4. This provided an estimate of average weekly earnings. 2) Assuming that the client would work 52 weeks of the year, the weekly income was multiplied by 52. The product gave expected earnings for that type of slot for the year.

[22] Also, $4,200 per year is approximately the gross income that could be expected with a $2.00 per hour wage.

[23] For example, clerical workers in state government agencies is a ready illustration.

[24] It is of interest to note that the level of subsidy appears to be inversely related to the level of the wage. For example, a Spearman rank correlation between major types of employers ranked in descending order by average wage and average subsidy produced a coefficient (r_s) of -.655 which, although not statistically significant, does indicate a negative relationship. In addition, a Spearman r_s for wage level and subsidy level by type of job showed a significant negative relationship of -.88 (p .01). In other words, higher paying employers and higher paying jobs, on the average, had relatively lower levels of subsidy than lower paying jobs and employers.

[25] One could also use the data in Table III-8 to make very simplistic predictions about outcomes of clients in the PSE Program. If we assume, not unrealistically, that the characteristics of the job have significant impact on client outcome, then this could be of use. For example, we can assume that the level of earnings can be used as rough indicator of the quality of the job--which is likely to have some influence on the client with regard to completion of the work experience. Also, the level of subsidy may be considered a rough proxy for employer commitment and/or capability for absorption of the client upon completion of job-employer cell of Table III-8 provide simple data for prediction (based only on slot characteristics) of client outcome and absorption by the PSE employer of the client as a regular worker. The following Table might provide the basis for prediction of outcome and absorption.

Expected Completion-Absorption
With PSE Employer

Subsidy (S)	Earnings (Y)		
	X	[illegible]	O
X	Completion; Absorbed by PSE Employer	Questionable Completion; If Completes, Absorbed by PSE Employer	Non-Completion; Not Absorbed by PSE Employer
O	Completion; Not Absorbed by PSE Employer	Questionable Completion; If Completes, Not Absorbed by PSE Employer	Non-Completion; Not Absorbed by PSE Employer

Chapter IV

CLIENTS AND JOBS

In the two previous chapters we have examined the characteristics of the clients enrolled in the Vermont PSE Program and the jobs developed for the client work experience. The objective of this chapter is to determine which clients were placed in particular training jobs for the work experience. This may provide some insights into the training placement process by illustrating patterns of client characteristics in certain PSE training jobs. Such information should be useful in the evaluation and more complete understanding of the process and effectiveness of PSE.

In the initial part of this chapter, we will broadly review the distribution of clients by job and type of employer in the Vermont Program and relate this information to some of the concepts and data presented in the preceeding chapters. Next, a more specific examination of client demographic, employment, earnings, and welfare characteristics will be made for the job types held by the clients during their final work experience in the program.[1] Finally, a brief review and discussion of the major findings will be presented.

The Distribution of Clients in Work Experience Slots

The general question of where the PSE clients were placed for their work experience training can be answered with a review of the data presented in Table IV-1. In this Table, summary information is presented on the distribution of clients in job-employer slots. The format of the Table is similar to that of Table III-2 which showed the job-employer mix of new job slots developed during the PSE Program.

Upon reviewing the data, one is impressed with the heavy concentration of clients in a relatively few job types and employee categories. For example, eighty-four percent of the clients were placed in just three major job types which included: Service (39%), Clerical (25%) and Prof-Tech-Mgrl (20%). The only other major job category in terms of numbers was Structural employment (11%), but it was substantially below the previously cited three. Also, fifty-nine percent of the clients were placed with just two major employer types: Education (30%) and Hospitals/Health (29%). The three aforementioned jobs with the two major employers account for over half (54%) of all of the clients placed in work experience slots. This is not greatly surprising with our knowledge of the job development process and the results discussed in the last chapter, but it does point out that for the most part there was a relatively small range of general job and employer types used in providing actual work experience training for the clients.

In addition to concentration, it is interesting to note where

TABLE IV-1

Distribution of Clients in PSE Training Slots

Major Type of Employer	Job Types (DOT Code)									Total Avg
	Prof, Tech, Mgrl 0-1	Clerical 2	Service 3	Frmg. Frstry 4	Processing 5	Mach Trades 6	Bench Work 7	Structural 8	Misc. 9	
Education	20	30	82	2	0	0	1	13	2	150
Hospital/ Health	33	24	80	0	0	1	1	4	0	143
State Gov't	26	48	2	1	0	0	0	3	0	80
Child Care	8	5	17	0	0	0	0	5	0	35
Social Service	0	7	0	0	0	6	0	0	0	13
City Gov't	1	2	6	2	0	2	0	7	1	21
Other Non-Profit	14	9	8	0	0	0	2	24	1	58
Total Avg	102	125	195	5	0	9	4	56	4	500

the clients were placed for PSE training in terms of the wage rate they received. Table IV-2, which is similar in structure to Table III-5, indicates how many clients were placed in slots which could be classed as being with high or low paying employers and/or job categories. This provides a summary of the number of clients actually placed in relatively poorer and better paying slots. From the Table, we note that almost half (49%) were placed in low paying jobs with low paying employers (mean hourly wage of $2.03) while only sixteen percent were put in slots with high paying jobs and employers (mean wage of $2.52). The remaining thirty-four percent of the clients were placed in intermediate slots where the average wage exceeded the lowest level but fell far short of the wage in the highest category. In summary, with regard only to hourly wages, it appears that at least half of the clients were placed in relatively poorer quality jobs for their work experience.[2]

Another approach that can be used in visualizing the distribution of clients in training slots is presented in Table IV-3. This Table is based on the joint income and subsidy analysis outlined in Table III-8 of the preceeding chapter. It is a summary of the number of clients placed in each of the six types of subsidy-income slots. A quick review of the marginal totals indicates that the clients were about equally divided between those slots which on the average had more than ninety-five percent subsidy and those with less subsidy. About forty-eight percent were placed in slots which on the average, given the wages and hours for each, would earn at least $4,200 per year.

TABLE IV-2

The Number of PSE Clients in Work Experience Slots for Employers and Jobs in High-Low Paying Classifications

Employer Categories	Job Categories		Employer (Total)
	Low Paying[a]	High Paying[b]	
Low Paying[c]	247 (49%)	94 (19%)	341 (68%)
High Paying[d]	77 (15%)	82 (16%)	159 (32%)
Job Total	324 (65%)	176 (35%)	500 (100%)

[a] This includes Clerical, Service, and Bench Work.

[b] This includes Structural, Prof-Tech-Mgrl, Machine Trades, Farming, and Miscellaneous.

[c] This includes Child Care, Social Services, Education, and Hospitals/Health.

[d] This includes City Government, State Government, and Other Non-Profit.

TABLE IV-3

The Number of PSE Clients in Work Experience Slots Classified by Income and Subsidy Levels[a]

Average Subsidy Level	Average Expected Annual Income			Total Clients
	X ≥$4200	⊗ ≥$4000<$4200	0 <$4000	
X < 95%	109 (22%)	109 (22%)	27 (5%)	244 (49%)
0 ≥95%	128 (26%)	95 (19%)	32 (6%)	255 (51%)
Total Clients	237 (48%)	204 (41%)	59 (12%)	500 (100%)

[a] Refer to Table III-8 for more detail.

A substantial eighty-nine percent would be expected to earn at at the rate of at least $4,000 annually in their job; while only eleven percent would be expected to earn, on the average, less than $4,000 in a year. When both subsidy and income dimensions are considered together, however, only twenty-two percent of the clients were placed in PSE jobs that would yield $4,200 per year and were less than ninety-five percent subsidized. Forty-four percent would earn at least $4,000 and were in slots that were, on the average, less than ninety-five percent subsidized. In summary, this would indicate that among clients placed for training, about forty-four percent were in slots that met at least the barest minimum levels of income requirements for family support ($4,000) and had some significant tangible level of outlay by the employer. Forty-five percent met minimum income levels but were in more highly subsidized slots. Only six percent of the clients were in slots that had income potentials below $4,000 and relatively high subsidies.[3]

Aspects of the Jobs. While the above discussion has focused on information based on the analysis of jobs and employers, at this point a brief discussion of some aspects of the PSE jobs held by clients may be useful. For example, from the marginal data in Table IV-1 we know the number of clients in each of the PSE job categories. However, we do not know how many of the clients were brought into the Program and placed in similar jobs (or job categories) as they held prior to entering. If we know the client's previous major job classification and his PSE classification, we can begin to determine if PSE training placements,

TABLE IV-4

Client Job Classification
Before and During PSE

Job Classifications (DOT) Before Entering PSE	Job Classifications (DOT) During PSE									Total in Pre-PSE Jobs
	Prof, Tech, Mgrl 0-1	Clerical 2	Service 3	Frmg, Frstry 4	Processing 5	Mach Trades 6	Bench Work 7	Structural 8	Misc. 9	
Prof, Tech, Mgrl 0-1	32	7	17	0	0	0	0	0	0	56
Clerical 2	23	62	25	0	0	0	1	4	1	116
Service 3	20	23	77	0	0	3	1	6	2	132
Frmg, Frstry 4	0	2	4	1	0	1	1	1	0	10
Processing 5	1	0	1	0	0	0	0	1	0	3
Mach Trades 6	3	3	13	0	0	0	0	5	0	24
Bench Work 7	7	9	7	0	0	1	1	1	0	26
Structural 8	7	6	25	1	0	2	0	25	1	67
Miscellaneous 9	4	7	17	2	0	1	0	12	0	43
Total in PSE Jobs	97	119	186	4	0	8	4	55	4	477

in general, tended to reinforce old skills or attempted to develop work experience and skills in a new type of job. Table IV-4 provides data to help answer these questions. The data in the Table is presented in matrix form. The rows consist of the general job categories (based on DOT) of the clients before entering PSE while the columns are the job categories in which the clients had PSE training. By selecting a row job category, for example, one can examine all of the column entries for that row and determine how many clients went into what types of PSE work experience jobs. Alternatively, one can select any column job category and then see how many clients from what types of jobs were selected for this type of PSE job experience.[4]

Upon examining the Table, one finds that one hundred and ninety-eight, or forty-two percent, of all the clients were placed in job categories in PSE training that were similar to their pre-PSE job categories. The total figure, however, hides the fact that females were much more likely to be put in a similar job category for PSE work experience than were men. For example, fifty-two percent of the female clients were put into jobs in PSE with a similar general classification as their pre-PSE jobs while this was true of only thirty percent of the male clients. In other words, it was much more likely that a female would be placed in a job classification for PSE work experience which was similar to pre-PSE work than it was for a male client.

Upon a careful examination of the data in the Table, one finds that the job categories differ from one another in terms of the proportion of people who had PSE jobs similar to their previously held job categories. Specifically, a relatively high proportion of those with pre-PSE job classifications of Prof-Tech-Mgrl (57%), Clerical (53%), and Service (58%) were placed in similar job categories for their PSE work experience.[5] On the other hand, a very low proportion of those in pre-PSE classifications such as Farming-Forestry (10%), Processing (0%), Machine Trades (0%), Bench Work (4%), Structural (37%), and Miscellaneous (0%) were put in similar PSE job classifications. Those with the latter pre-PSE job classifications, the majority of whom were male clients, tended to be moved into Service type jobs and, to a lesser extent, Prof-Tech-Mgrl and Clerical jobs upon entering PSE work experience training.[6]

A slightly different way to examine the movement of clients from pre-PSE jobs to PSE jobs is to classify job categories into "white collar" and "blue collar" and look at the movement from one to the other. If the Prof-Tech-Mgrl and Clerical categories are designated as "white collar" and all the others "blue collar", we see that there was an overall movement of clients from "blue collar" jobs to "white collar" jobs in PSE. For example, before PSE, only twenty-five percent of the clients were in white collar jobs, but during PSE work experience, forty-five percent of the clients were placed in white collar jobs. Both men and women tended to move into white collar jobs and out of blue collar type jobs. Illustrative of this is the fact that before enrolling in PSE, fifty-two percent of the women and seventeen percent of the men were in white collar jobs. For their PSE work experience, sixty-two percent of the women and twenty-six percent of the men were in such jobs. In a rough and perhaps not totally accurate sense, one might suggest that PSE jobs, by moving more people into white collar occupations, had upgraded the job status for clients entering white collar jobs from blue collar jobs.[7]

A final perspective on the movement from jobs prior to PSE into PSE jobs is to see how the clients did with regard to their hourly wage rate. As a total group, a majority of clients did reasonably well as is illustrated by the fact that two-thirds (67%) had PSE job wages that equalled or exceeded the wage on their last job. Fifty-eight percent had PSE job wages that equalled or exceeded the highest wage they had ever earned. However, as might be expected, there were significant differences between men and women clients in this respect. For example, only forty-seven percent of the males had PSE jobs at wages that equalled or exceeded the wage they had on their last job while eighty-five percent of the females had such wages on their PSE jobs. In addition, only thirty-four percent of the men obtained PSE jobs in which their wage equalled or exceeded the highest wage they had ever earned, but this was true for a startling seventy-eight percent of the women. Clearly, in terms of their past earnings experience in the labor market, women were doing quite well in the PSE program with regard to hourly wages while the male clients were doing relatively poorly.[8] This is true even though the male clients dominated the higher paying jobs available in the PSE work experience program. This outcome is understandable upon reviewing some of the findings of this report up to this time. First, males, before their PSE experience, had been employed, on the average, more recently than females and were more highly represented in the better paying blue collar type jobs (e.g., construction). Second, many males were moved from the higher paying blue collar jobs into subsidized service and white collar jobs in non-profit industries which simply could not match the hourly wage scales of, for example, unionized private organizations. Females, on the other hand, moved into similar jobs that they had held in the past, but in this case they were employed by primary labor market employers whose current hourly wage was better than that of past employers.[9]

Employer Aspects. In addition to the above more extensive discussion on clients and jobs, some brief comments will be made regarding the PSE employers. First, in Table IV-1 it was noted that a majority of the clients (fifty-nine percent) were placed in work experience jobs with just two major employer categories --Education and Hospitals/Health. This appeared to represent a reasonably heavy concentration of clients placed in just two major industries. It is, perhaps, even more enlightening to find that a substantial number of the clients had their work experience with a relatively small number of contractors. For example, there were a total of one hundred and seventeen contractors who provided at least one client with a work experience slot.[10] However, out of the five hundred clients examined in this study, two hundred and seventeen, or forty-three percent of the total, had work experiences with the six largest contractors. Each of these contractors, as can be seen in Table IV-5, had fifteen or more clients for whom they provided a final work experience in the PSE Program. The twelve largest contractors (those who provided actual work experiences for nine or more people) provided PSE training for no less than fifty-eight percent of the total clients. Perhaps most impressive of all is the fact that during the course of the Program, the Vermont State Hospital, an early and continuing contractor throughout the E&D Project, was responsible for the work experience of one hundred and eleven clients or twenty-two percent of the total.

TABLE IV-5

Contractors Providing PSE Work Experience for the Largest Number of Clients

Rank	Name of the Contractor	Number of Clients
1.	Vt. State Hospital (Waterbury)	111
2.	Burlington School District	30
3.	University of Vermont	27
4.	Planned Parenthood	19
5.	Vt. Department of Employment Security	15
	Champlain Valley OEO	15
6.	Glen Rock Community School	14
	Orleans Council of Social Agencies	14
7.	Central Vt. Community Action Council	13
8.	Vt. Department of Rehabilitation	12
9.	Vt. Department of Social Welfare	11
10.	Vt. Department of Health	9
	Total	290

It would appear from this discussion that the training of PSE clients was highly concentrated in a few organizations during the period of time the first five-hundred clients were in the

Program. This, obviously, is not inherently good nor bad, but it should be recognized that the organizational climate and practices of a small number of PSE contractors could have an important impact on the results of the study.

Finally, it is of interest to note that the majority of clients had their work experience with employers who received a complete subsidy for the PSE training job. For example, two hundred and sixty-four clients (53%) had final PSE experiences in slots where the employer was one hundred percent recompensed for the wages.[11] Two hundred and twenty-two clients (44%) were in jobs with employers that were ninety percent subsidized.[12] Fourteen clients were in slots where the employer received less than ninety percent subsidy.

Relating the subsidy of the clients in their PSE jobs to the earlier discussion of the twelve contractors that provided training for the largest number of clients, we find that seventy-three percent of the clients served by them were in completely subsidized jobs. Put in a somewhat different fashion, this group of twelve contractors accounted for eighty percent of all of the totally subsidized training experiences. This indicates that not only did these contractors handle the largest number of clients but they were also very highly subsidized relative to the remaining ninety percent (105) of the contractors who provided forty-two percent (210) of all of the final work experiences and who only had twenty percent of the totally subsidized slots that were filled.

Client Characteristics in PSE Work Experience Jobs

The remainder of this chapter will deal with the characteristics of the clients placed in each type of PSE job. Summary data are presented on demographic, employment, earnings, and welfare characteristics in Tables IV-6, IV-7, IV-8, and IV-9 respectively. While the data are presented for all job types (using DOT categories), the discussion will focus on the four main types of jobs which accounted for ninety-five percent of the clients in PSE, i.e., Professional-Technical-Managerial, Clerical, Service, and Structural.

Upon examining Table IV-6, one finds that males and females were not represented in their population proportions in each occupational category. In fact, it appears as if females had disproportionately large numbers particularly in the Clerical job category, as well as in the Prof-Tech-Mgrl category. Males, on the other hand, were in excess of their population proportion in Structural jobs.[13] Males and females were in approximate proportion to their population numbers in Service jobs.[14]

The recognition that specific job categories tend to be disproportionately male or female has meaning not only in the sense of a follow-through point relating to earlier discussion in this chapter, but this fact will be of major significance since the characteristics of the clients in the jobs will reflect the characteristics of the sex dominating it. As will be recalled from Chapter II, male and female clients tended to differ in a number of respects regarding personal, employment, earnings, and

TABLE IV-6

Client Demographic Variables
by Job Type

Demographic Variables	Prof, Tech, Mgrl 0-1	Cler- ical 2	Ser- vice 3	Frmg, Frstry 4[a]	Process- ing 5	Mach Trades 6	Bench Work 7[b]	Struc- tural 8	Misc. 9
	Job Types (DOT Code)								
Sex-- Percent Female	64%	83%	53%	0%	-	11%	50%	2%	0%
Age-- Mean Value	32	29	31	25	-	26	34	32	32
Education-- Mean Value	12	11	10	11.5	-	11	9	9	10
No. of Children-- Mean Value	1	1.1	1.3	0.6	-	1.6	2	1.4	1.7
Head Household-- Percent	88%	77%	74%	80%	-	78%	75%	98%	100%
Handicapped-- Percent	25%	19%	29%	20%	-	33%	25%	34%	50%

[a] Total number in sample for this job is ≤ 5. Caution should be used in interpreting mean values in such small samples.

[b] Total number in sample for this job is ≤ 4. Caution should be used in interpreting mean values in such small samples.

TABLE IV-7

Client Employment Characteristics by Job Type

Pre-PSE Employment Variables	Job Types (DOT Code)								
	Prof,Tech, Mgrl 0-1	Cler-ical 2	Ser-vice 3	Frmg, Frstry[a] 4	Process-ing 5	Mach Trades 6	Bench Work[b] 7	Struc-tural 8	Misc.[b] 9
Yrs of Gainful Employment-- Mean Value	7.1	5.5	8.0	6.6	-	7.7	9.7	12.9	10.7
Pct of Yrs Employed for 6 Mos or More-- Percentage	59%	55%	59%	44%	-	46%	47%	63%	52%
No. of Jobs Held in Yr Before PSE-- Mean Value	1.0	0.8	1.0	1.6	-	1.2	0.5	1.5	1.2
Weeks Unemployed in Last Year-- Mean Value	29.2	35	33	27.2	-	24.4	35.2	26.4	34.7

[a] Total number in sample for this job is ≤5. Caution should be used in interpreting mean values in such small samples.

[b] Total number in sample for this job is ≤4. Caution should be used in interpreting mean values in such small samples.

TABLE IV-8

Client Earnings Characteristics by Job Type

Pre-PSE Earnings Variables	Job Types (DOT Code)								
	Prof, Tech, Mgrl 0-1	Clerical 2	Service 3	Frmg, Frstry 4	Processing 5	Mach Trades 6	Bench Work 7	Structural 8	Misc. 9
Family 12 Month Earned Income--Median Value[a]	$2400	$1600	$2400	$2000[b]	-	$2000	$3250[b]	$3100	$1525[b]
Client 12 Month Earned Income--Median Value[a]	$ 720	$ 400	$ 400	$ 100[b]	-	$1000	$ 0[b]	$2600	$1525[b]
Hourly Wage on Last Job--Median Value	$2.00	$1.80	$1.80	$2.00[c]	-	$2.00	$1.50[c]	$2.50	$2.25[c]
Highest Hourly Wage Earned--Median Value	$2.00	$2.00	$2.00	$2.10[c]	-	$2.47	$2.00[c]	$3.00	$2.25[c]
Perception of Fair Wage--Median Value[a]	$2.25	$2.00	$2.00	$2.25[b]	-	$2.37	$1.80[b]	$2.50	$ --[d]

[a] The sample includes only clients number 172 through 500. See Chapter II for a complete explanation.

[b] Sample size is two persons.

[c] Sample size is four persons.

[d] Missing.

TABLE IV-9

Client Welfare Characteristics by Job Type

Pre-PSE Welfare Variables	Job Types (DOT Code)								
	Prof, Tech, Mgrl 0-1	Cler-ical 2	Ser-vice 3	Frmg, Frstry[a] 4	Process-ing 5	Mach Trades 6	Bench Work[b] 7	Struc-tural 8	Misc.[b] 9
Percent Receiving AFDC--	53%	66%	45%	60%	-	56%	50%	59%	75%
Months on Welfare Before PSE-- Mean Value (Median Value)	8.4 (1)	12.5 (5)	7.1 (0)	2.8 (1)	- -	2.3 (1)	24 (0)	3.7 (1)	13.8 (3)
Monthly Welfare Payment Received-- Mean Value (Median Value)	$130 (70)	$160 (179)	$119 (0)	$143 (198)	- -	$206 (141)	$232 (0)	$176 (208)	$242 (225)

[a] Total number in sample for this job is ≤ 5. Caution should be used in interpreting measures of central tendency in such small samples.

[b] Total number in sample for this job is ≤ 4. Caution should be used in interpreting measures of central tendency for such small samples.

welfare characteristics. This is clearly emphasized again by comparing the client characteristics of jobs dominated by females to those of clients in jobs dominated by males. When such a comparison is made from the Tables, one finds that the jobs dominated by females, relative to those dominated by males, have the following characteristics:

> Demographic Characteristics--the clients have higher levels of education, fewer children, there are slightly fewer heads of households, and there is a much lower proportion of those who are handicapped and/or disadvantaged;
>
> Employment Characteristics--the clients have fewer years of gainful employment, they have held fewer jobs in the last year, and have been unemployed more in the last year;
>
> Earnings Characteristics--the clients and their families earned less in the last year and had lower wages on their last job, lower wages on the highest hourly wage ever earned, and a lower perceived fair wage;
>
> Welfare Characteristics--the clients had a slightly higher percentage of the people who had come from AFDC rolls, they had been on welfare longer, and had received less in monthly payments on the average.

It is of interest to note that males and females tend to dominate jobs whose requirements and attributes are consistent with the general qualifications and earnings history of that sex.

For example, females dominate the Clerical jobs in PSE. We know that these clerical jobs may require somewhat higher skills in reading and writing (general education) than low skilled blue collar jobs. Also, we know that the clerical jobs in PSE were some of the lower paying jobs that were available. From our previous review of job and client characteristics in preceeding chapters and in the early part of this chapter, we know that many females had previous experience in clerical and white collar type jobs, they had higher levels of education than the men, and they had been accustomed to lower earnings (in terms of hourly wages as well as annual incomes). Most females had been unemployed longer than males and of those who had been on welfare, they had received less in monthly payments. They, very likely, had lower income expectations (as is indicated by their fair wage estimates) than males. All of their qualifications and expectations based on experience, then, would indicate that they would probably be placed in such clerical and lower level white collar jobs.

On the other hand, most males had lower levels of education, longer work experience, higher earnings histories and expectations with little experience in white collar jobs. They would seem to be reasonably unqualified, on the average, for the white collar jobs and more highly qualified for and interested in the higher paying blue collar jobs in Structural work and in the Machine Trades. Since there were limited numbers of slots in Structural PSE jobs and since some men would not have basic skill qualifications, they would have to be placed elsewhere.

Given the lower levels of education for many of the male clients, they could not qualify for Clerical and Professional and Technical jobs, so they were placed in one of the numerous Service jobs that had low educational requirements. This would account for the movement of men out of other pre-PSE type jobs into Service jobs for their work experience.

Service jobs were the largest single type of occupational category that clients were placed in during PSE. As we noted, this category had approximately the same proportion of males and females as was in the total client population. The impact of this mix of males and females is that for most variables there is a value somewhere between the values in occupations dominated by men or women (e.g., handicapped, disadvantaged, work experience, etc.). However, there were some characteristics which did give definite indications of the peculiar type of person placed in Service jobs. For example, it appears that these clients were characterized by low educational levels, relatively fewer heads of households, very long unemployment in the last year, and modest earnings levels that approximated those of female dominated jobs. In other words, it appears that for females with lower levels of education and perhaps lacking in skills needed in an office job, they could be (and were) handily placed in Service (blue collar) jobs. For men, given the limited number of Structural, Miscellaneous and Machine Trades jobs, and the fact that few had enough education and experience to qualify for Professional-Technical-Managerial positions, the Service jobs were a natural alternative to absorb those who were to be placed for a PSE experience. Service jobs, in effect, were jobs of the lowest skill level that could be used to absorb those male and female clients with very poor qualifications who could not meet the standards for the higher paying jobs, or for whom there were no opportunities available at the time in the better jobs.

Summary and Comments

The objective of this chapter was to critically examine the PSE work experience placement of clients enrolled in the E&D Program. Our review indicated, not surprisingly given the nature of public employment and the types of jobs developed by the manpower specialists, a heavy concentration of clients in relatively few job and employer types. The majority of the clients were concentrated in Service, Clerical, Prof-Tech-Mgrl jobs, (and, to a lesser extent, Structural jobs) with Educational and Hospital/Health type employers. About half of the clients were placed in employer-job categories that were the lowest paying, while only sixteen percent were in the high paying jobs with the higher paying employers. Female clients in PSE jobs were earning, on the average, equivalent or larger hourly wages than in the past, while the male clients were earning less, on the average.

With regard to work experience job placements, it was found that slightly fewer than half the clients were placed in job categories similar to those they were in before entering PSE. Women were more likely to be placed in the same job category than were men. There was an overall movement of clients into white collar jobs, although the trend was less pronounced for men. Most men were simply placed in another type of blue collar job in PSE--most notably Service type jobs.

Females dominated Clerical and Professional-Technical-Managerial jobs while males dominated the Structural jobs. Both sexes were represented in numbers about proportional to the population in the Service jobs. The Service jobs appeared to be more of a final alternative type job for many clients if they could not qualify for (or there were no slots open in) the better paying jobs or for the traditional female white collar jobs.

It is interesting to note that in general, females appeared to be somewhat better off in the PSE work experience jobs than were men. Even though they were in the poorer paying jobs of those available, the wages for the majority equalled or exceeded the wages they had earned in the past. Also, they were placed in jobs with which they were familiar and for which a continual market exists for female employees. Males, on the other hand, fared less well. Most were put on jobs in which the wage was inferior to past hourly earnings and they were taken out of many of the job categories in which they had experience in the past and concentrated in Service and Structural type jobs.

Footnotes

[1] The information presented on clients in this and succeeding chapters will be that data relating to the final PSE work experience. While most clients had only one true PSE work experience (i.e., same employer and same job over a period of time), some clients had multiple experiences. In the latter cases, only the last experience was used. To provide the reader with an indication of the number with true multiple PSE experiences, the following information is available for those 484 clients who had completed or terminated the program when this data was prepared for analysis: 396 clients (82%) had only one PSE experience; 81 clients (17%) had two real PSE experiences; and 7 clients (1%) had three different PSE experiences. In fact, relatively few had actual multiple experiences in the Program.

[2] When a breakdown identical to that in Table IV-2 is done on the basis of sex, some startling results are obtained. It is found that women are greatly over-represented in low paying jobs and in jobs with low paying employers. Men, on the other hand, are over-represented in the high paying jobs and with the high paying employers. For example, 62% of those in low paying jobs with low paying employers are women and 38% are men. Yet, 78% of those in high paying jobs with high paying employers are men and 22% are women. Women constitute 65% of all those in low paying jobs and men make up 62% of those in high paying jobs. There was a significant and distinct tendency for men to be placed in better paying jobs with the better paying employers.

[3] Significantly different results are obtained for men and women when the analysis presented in Table IV-3 is done by sex. In summary, men tend more to be located in lower subsidized jobs with greater income potential than women. For example, 53% of all men are in low subsidized jobs as compared to 46% of the women. Also, 64% of the men are in jobs with expected annual earnings of $4,200 or more as contrasted to 34% of the women. In the most desirable "XX" cell (low subsidy-high earnings), 61% of the clients are male and 39% are female (even though men make up only 45% of the universe of clients). In the least desirable cell "OO", men make up 8% of the clients and women make up 91%! The data for males and females is presented in the following summary table. Figures for males are in parenthesis.

Subsidy	Expected Annual Earnings		
	X	⊗	0
X	43 (66)	62 (47)	22 (5)
0	51 (77)	69 (26)	29 (3)

[4] The data in Table IV-4 is based on 477 clients instead of 500. This is due to the fact that 23 clients had no DOT code provided as a pre-PSE type of employment.

[5] The majority of clients in this classification were women.

[6] The majority of females were in pre-PSE jobs with DOT Codes beginning with 0,1,2, and 3. The majority of men were in job classification with a DOT Code of 4,5,6,7,8, and 9. Since, as we saw in Chapter III, most jobs developed for PSE training were in the 0,1,2,3 type jobs, there is little wonder that male clients had more significant reallocation in PSE to new job types than was the case for females.

[7] In total, 48 clients went from white collar to blue collar jobs while 98 went from blue collar to white collar. In all fairness, we would have to say that in general for the 48 who moved from white to blue collar jobs, there was probably a decline in job status. For a definitive discussion on the higher status of white collar workers over blue collar workers and the problems and limitations implicit in such an assumption, see Theodore Caplow, The Sociology of Work (New York: McGraw-Hill, 1965) pp. 42-45.

[8] In comparing PSE wages with the client perception of a fair wage, it was found that 41% of the males had wages which equalled or exceeded their fair wage, while 69% of the women had a PSE wage that equalled or exceeded their fair wage.

[9] Finally, although it cannot be proven here, it is quite likely that the traditional "sex differential" was missing in the jobs filled by the clients. Since the jobs, in many cases, were developed by the manpower specialist and could be filled by either a man or a woman, no discriminating sex differential was

included in the negotiated hourly rates, particularly for jobs like service jobs which a person from either sex could fill. Also, the fact that the Employment Service was trying to get a job at about $2.00 per hour had a leveling effect so that men and women would be receiving wages somewhere around that figure.

[10] It is of some interest to note that the Vermont Department of Employment Security indicates that about three-fourths (74%) of the clients were placed in training slots with public employers (state or municipal government, school districts, etc.) while the remainder of clients (26%) were placed with private non-profit organizations (regional development organizations, private schools, child care, etc.).

[11] It is to be noted that 185 of the 290 clients were put in jobs with state agencies. Since these state agencies have limited budgets, they had difficulty providing jobs with less than 100% subsidy in many cases. See Table III-7 for further information.

[12] One client included here was in a PSE slot that was 93.7% subsidized.

[13] Males also dominated the Farming-Forestry and Miscellaneous job categories, but due to the fact that there were only four or five clients placed in each of these categories, they are not considered separately as important job types in this PSE Program and will not be discussed separately.

[14] The sexes were similarly proportioned in Bench Work jobs as well, but this category only had four clients included in it.

PART THREE

PROGRAM COMPLETION AND TRANSITION

Chapter V

COMPLETION AND TRANSITION

In the previous three chapters we have reviewed in some detail the characteristics of the clients in the PSE Program, the PSE jobs developed, and the placement of the clients in the jobs for PSE work experience. The objective of this chapter is to carefully examine the outcome of the program in terms of client completion and transition to non-subsidized jobs. The first part of the chapter will present an operational definition of the transition process and examine the Vermont PSE experience in terms of the definition. The remaining part of the chapter will be concerned with a more detailed examination of the clients who transitioned as well as those who did not. We will review selected data on personal characteristics and job characteristics to determine if meaningful patterns can be established to identify those clients and/or jobs with a higher propensity to transition. Some comments and a summary will be presented in the concluding section.

Transition: An Operational Concept and Measurement

In virtually all manpower or manpower related legislation proposed in the last several years which has incorporated a subsidized PSE component, there has been considerable emphasis, particularly by the Administration, that the PSE be designated as "transitional" employment. The significance of the idea that PSE must be transitional is illustrated in the development and enactment of the Emergency Employment Act of 1971 (PL 92-54). It appears, for example, that the President would not have signed the bill into law if the term "transitional" had not been consistently used throughout the Act to describe PSE.[1] What makes all this particularly interesting is the fact that even though a great deal of emphasis has been placed on the transitional nature of PSE in manpower programs, there appears to be some confusion about what this means. Specifically, there is no operational definition to facilitate determination if, indeed, the PSE programs have in fact been "transitional" in a consistent and meaningful sense.[2]

While recognizing that there is not universal agreement on the general meaning of the term, it is likely that many of those in significant policy making positions would concur that "transitional" is a job related concept indicating subsidized public service jobs which are of a limited duration or are temporary in nature and which are linked to unsubsidized jobs. It would appear, then, for transition to take place in the most general sense, the client would enter PSE for a limited period of time for training or work experience and then, after completion, move directly into a non-subsidized employment position. While this provides some clarification of the term "transitional" generally, there is still no specific operational definition to measure the extent or variety of transitional experiences among PSE clients.

An Operational Concept. In order to operationalize the concept of transition from PSE employment, let us refer to Figure I-1 presented in Chapter I which provides a flow model of the transitional employment process. From the model in Figure I-1 it is noted that the point of transition is the point of direct movement from subsidized PSE employment to a job with a non-subsidized employer. It is basic to the flow concept that the client be placed, or find his job quickly after PSE if, in fact, there is to be a continuity in the work experience and a flow from subsidized employment to non-subsidized employment. Recognizing the existence of administrative, budget, and personnel problems and procedures that can and do arise, it seems reasonable to define "direct movement to non-subsidized employment" as the attainment of a non-subsidized job within fourteen (14) days after leaving PSE. Such a criterion will include all those persons who move smoothly into the regular labor force of their PSE employer as well as those who are placed elsewhere or find their own jobs immediately after PSE.[3] Such a time period, however, is not so long that it will include those who drop out of the labor force or who are unemployed for a substantial period and then find work. Such people could not be considered to have moved directly from PSE to full-time non-subsidized work. Therefore, the first part of an operational definition of transition is that the direct movement into non-subsidized work will be the movement into the new job within fourteen days. If a client meets this criterion, he has met a basic requirement for transition, i.e., he has a non-subsidized job upon completion of PSE, and we will designate him as having transitioned at Level 1.

As has been indicated, the non-subsidized job may be with the PSE employer or with some other employer. Ideally, the PSE employer would absorb the client into his regular work force if the client had completed his subsidized work experience and demonstrated satisfactory performance in carrying out his employment responsibilities. Employment with the PSE employer would, of course, require a minimum of change in environment, working conditions, wage, personal relationships, etc. for the client. This, logically, would seem to enhance the probability of a successful movement into full-time non-subsidized employment. However, if the PSE employer for some reason (e.g., no attrition providing new openings, budget cut-backs or no increases, etc.) cannot absorb the client, then the client may be placed by the Employment Service or find his own position with another employer upon completion of his PSE work experience. Since post training employment with the PSE employer seems potentially more desirable and has been basic in much thinking about PSE, but yet due to the fact that clients may take positions with other employers, two basic types of transition will be distinguished. If, within the prescribed fourteen day period outlined earlier, a client is employed with his PSE employer, we shall determine that he has a Type 1 transition at Level 1. If, on the other hand, he is employed with an employer other than his PSE employer, we shall determine that he has a

Type 2 Level 1 transition.

Again referring to the Model of the Transitional Employment Process in Figure I-1, we see that there can be more to the idea of transition than simply moving directly into a job after PSE work experience has ended. For example, the client should be able to maintain his level of earnings and not experience a decline in his income as he moves to non-subsidized employment. He should be able to maintain his income or he will have a strong economic incentive to leave the job and return to welfare or search for another job which may mean an indefinite period of unemployment. Therefore, in this functional concept of transition, we should include the consideration that his hourly wage be greater than or equal to the wage he received in the PSE work experience which he successfully completed.[4] If, then, the client has gotten a job directly after PSE training and it is at a wage equal to or greater than his PSE wage, this is presumably better than simply getting a job at less earnings, and we shall say that the client has transitioned at Level 2. If a client has gotten a job directly after PSE which pays less than his PSE job, then he has not achieved a Level 2 transition, but remains a client transitioned at Level 1. A client may transition at Level 2 with his PSE employer (Type 1 Level 2 transition) or with a new employer (Type 2 Level 2 transition).

Finally, again examining the Model in Figure I-1, it is to be noted that the outcome of the transitional process, that is, whether or not the person is able to hold a job and stay in the labor market, is indicated by whether he retains employment for a substantial period after the point of transition. Operationally, in terms of the data available in the Vermont Project, we shall define a person who had obtained a job directly after his PSE experience, received a wage at least the magnitude of that in the PSE job, and who is employed ninety (90) days after the point of transition as having transitioned at Level 3. Those, then, who have transitioned at Level 3 have immediately obtained work after PSE at a wage to maintain at least PSE earnings and have remained employed for three months on a non-subsidized regular job.

At this point, we have defined two types of transition (with PSE employer and with non-PSE employer) and three different levels of transition. Each type and level of transition is important and has meaning with regard to interpreting the success of the PSE Program. Criteria have been established which allow the determination of the exact number of those clients who have transitioned by each type and at each level of transition. This approach should be more useful in developing an understanding of transition than some less complete definition that simply dichotomizes the population of clients into those who have transitioned and those who have not--with little flexibility in the definition. For various questions, the approach presented can provide several useful perspectives on evaluation of transition. A tabular summary of the ideas presented above is presented in Table V-1. It summarizes the concept of transition and should facilitate an understanding

TABLE V-1

Operational Concept of Transition

	LEVEL 1 ≤ 14 days	LEVEL 2 ≤ 14 days+ [Wage ≥ PSE wage]	LEVEL 3 14 days+[Wage ≥ PSE wage] +90 day Employment
TYPE 1 (PSE Employer)	Clients who obtained jobs ≤ 14 days with PSE employer	Clients who obtained job ≤ 14 days with wage ≥ PSE wage with PSE employer	Clients who obtained job ≤ 14 days with wage ≥ PSE wage with PSE employer and employed 90 days after termination of PSE
TYPE 2 (Other Employer)	Clients who obtained job ≤ 14 days with other employer	Clients who obtained job ≤ 14 days with wage ≥ PSE wage with other employer	Clients who obtained job ≤ 14 days with wage ≥ PSE wage with other employer and employed 90 days after PSE experience
TOTAL (TYPE 1 + TYPE 2)	Clients who obtained jobs ≤ 14 days	Clients who obtained job ≤ 14 days with wage ≥ PSE wage	Clients who obtained job ≤ 14 days with wage ≥ PSE wage and employed 90 days after PSE experience

of the analysis.

Vermont Transition Experience. Using the operational concept of transition as outlined above, the data from the Vermont PSE Program can be examined in terms of the effectiveness of the Program in providing transitional work experiences for the clients. At the time of this analysis, 484 of the 500 clients had completed or terminated the PSE Program and had been assigned a termination status by the Vermont Employment Service.[5] Sixteen (16) clients were still in their PSE work experience. The data presented in Table V-2 provides data on transition status of those among the 484 clients on whom information was available and who met the criteria for transition.

From the information presented in the Table, we can see that 202 clients who had finished PSE (42 percent) had transitioned at Level 1, i.e., they had obtained a non-subsidized job within fourteen (14) days after leaving PSE. Of this group, 147 (73 percent) had a Type 1 transition, i.e., they had obtained a job with their PSE employer, while 55 clients (27 percent) had a Type 2 transition or, in other words, had found immediate employment with an employer other than their PSE employer.[6]

With regard to transition at Level 2, from Table V-2 it can be seen that 166 clients for whom information was available met the criteria for classification at this level. Adjusting for missing data, we find that eighty-six percent of the clients who transitioned at Level 1 also qualified for transition at

TABLE V-2

Number of Clients Transitioned by Type and Level

	LEVEL 1	LEVEL 2*	LEVEL 3*
TYPE 1	147	134[a]	113[d]
TYPE 2	55	32[b]	24[e]
TOTAL	202	166[c]	137[f]

*The number of clients included in the cells at this level are those who had terminated, for whom information was available, and who met all of the criteria for qualification (see Table V-1). Those excluded from the cell are those clients who did not meet the criteria at this level of transition and those who had missing values in data relating to the criteria. For example, in Type 1, Level 2 transition, we note that 134 of the 147 clients at Level 1 met the criterion also of their wage being equal to or greater than the PSE wage. Excluded are ten clients who had wages less than PSE wages and three clients for whom no information was available. For each cell there is a footnote to indicate how many clients had missing information but who had qualified for the immediately preceeding level of transition.

[a] Three clients are missing who qualified for Level 1.

[b] Five clients are missing who qualified for Level 1.

[c] Total of eight clients are missing who qualified for Level 1.

[d] Ten clients are missing who qualified for Level 2.

[e] Three clients are missing who qualified for Level 2.

[f] Total of thirteen clients are missing who qualified for Level 2.

Level 2.[7] However, it is useful in this case to differentiate between those in Type 1 and Type 2 transitions. Adjusting for missing data, we find that for those clients with a Type 1 transition (with PSE employer), fully ninety-three percent of those who transitioned at Level 1 also met the criteria for Level 2 transition. Those clients with a Type 2 transition (with other employer), however, did not fare so well inasmuch as only sixty-four percent who transitioned at Level 1 also qualified for Level 2 transition. This indicates, of course, that those clients moving directly into jobs with their PSE employer have a much better chance of maintaining or improving upon their PSE hourly wage than is true for those who move directly into non-subsidized employment with another employer.

Finally, focusing on the number of clients transitioning at Level 3, we find that 137 clients for whom data was available met the standards for transition at Level 3. Again, adjusting for missing data, the figures indicate that seventy-six percent of the clients who transitioned at Level 1 also met the qualifications for transition at Level 3.[8] In addition, making the appropriate adjustments, we note that ninety percent of the clients who qualified for Level 2 transition also met the standards for Level 3 transition. At this level of transition it is also informative to examine the transition rates by type of transition. For example, with appropriate adjustments we find that eighty-four percent of the clients who had a Type 1 Level 1 transition were able to meet all the requirements to transition at Level 3. On the other hand, only fifty-one percent of the clients who originally transitioned with a Type 2 Level 1 transition met the intervening and final qualifications for a Level 3 transition. In examining the movement of clients from Level 2 to Level 3 transition, we note that both Type 1 and Type 2 clients had substantial rates of progression to this higher level of transition with respective percentages of 91 and 83. It is to be noted, nevertheless, that the clients who had a Type 1 transition had a higher rate of movement into Level 3 from Level 2. The meaning of this is that a PSE client who is employed directly upon completion of his work experience with the PSE employer is more likely to receive a wage at least equal to his PSE wage upon employment and is more likely to be employed after three months following PSE than is someone who upon completion or termination of PSE takes a job with some employer other than his PSE employer. However, for those clients who in fact are employed directly after PSE and do receive a wage at least equal to the PSE wage, regardless of the employer, there is a high probability that the person will be employed three months after completion of PSE. In this case, those with the PSE employer do have an advantage, but it is small.

Transition by Sex. A more detailed breakdown of the transition data is presented in Table V-3. This Table shows the number of male and female clients who transitioned at each level and by each type of transition. A review of the data presented in the Table leads to the following observations:

First, even though the same number of males and females

TABLE V-3

Number of Male[@] and Female Clients Transitioned by Type and Level

	LEVEL 1	LEVEL 2*	LEVEL 3*
TYPE 1	80 (67)	71[a] (63)[g]	58[d] (55)[j]
TYPE 2	21 (34)	11[b] (21)[h]	9[e] (15)[k]
TOTAL	101 (101)	82[c] (84)[i]	67[f] (70)[m]

[@] Figures for male clients are in parenthesis.

* See footnotes and discussion in Table V-2.

[a] Two clients are missing who qualified for Level 1.

[b] One client who qualified for Level 1 is missing.

[c] Three clients who qualified for Level 1 are missing.

[d] Five clients who qualified for Level 2 are missing.

[e] One client who qualified for Level 2 is missing.

[f] Six clients who qualified for Level 2 are missing.

[g] One client who qualified for Level 1 is missing.

[h] Four clients who qualified for Level 1 are missing.

[i] Five clients who qualified for Level 1 are missing.

[j] Five clients who qualified for Level 2 are missing.

[k] Two clients who qualified for Level 2 are missing.

[m] Seven clients who qualified for Level 2 are missing.

transitioned at Level 1 (total), this represented a higher proportion of male clients (46 percent) transitioning than was true for female clients (36 percent). This would indicate that men have a somewhat higher propensity to transition at this level than do females ($z=1.72$, $p<.10$, two tailed test). However, it appears that there were some important differences between males and females in terms of the type of transition. For example, a substantially higher proportion of the females who were transitioned at Level 1 had a Type 1 transition (79 percent) as compared to the males (66 percent). In other words, females who obtained jobs within fourteen (14) days after their PSE work experience were more likely to work for the PSE employer than was the case for males.[9]

Second, after making slight adjustments for missing data, we find that the male clients who had transitioned at Level 1 had a higher proportion who met Level 2 transition requirements (88 percent) than was true of female clients (83 percent). This was particularly obvious for the male and female clients who had a Type 2 transition. For those males who had Type 2 Level 1 transition, seventy percent also met Level 2 requirements. For females, in contrast, only fifty-five percent of those who had Type 2 Level 1 transitions qualified for a Level 2 transition.[10] Overall, with regard to total transitions at Level 2, males had a transition rate of thirty-nine percent while females had a transition rate of thirty-one percent.

Finally, upon examining Level 3 transitions, we find that sixty-seven females and seventy males transitioned at this

Level. After adjustments for missing data, these figures have the following meaning:

1) For both males and females who transitioned at Level 1, there was some attrition with regard to meeting the cumulative qualifications for a Level 3 transitional experience. Specifically, seventy-three percent of those females who transitioned at Level 1 also met the qualifications for a Level 3 transition. The comparable figure for males was seventy-nine percent. Taking missing values into consideration, the complete set of data indicates that for both sexes, the highest attrition took place in the movement from Level 1 to Level 2 transition--and this was especially true for persons with Type 2 transitions.[11] A very high proportion of both males (91 percent) and females (88 percent) who reached Level 2 transition also met the qualifications for Level 3 transition.

2) Considering the entire male and female client base, we find that the male clients had a higher overall proportion of their group transition at Level 3 (34 percent) than was the case for females (26 percent).

In short, for each Type and Level of Transition, males had better overall transition rates than females.

Vermont Transition in Perspective. Since the Vermont PSE Program was an experimental and demonstration project, there are no figures for completely comparable programs elsewhere. However, the PSE concept has been employed in one way or another with various manpower programs directed at specific groups for some time, and there are national data for other programs with PSE components which might be used (with appropriate recognition of the limitations of comparison) to provide some background to put the total Vermont experience in a guarded perspective. Table V-4 presents information giving the "transition rates" for the entire Vermont PSE Program (E&D) as they have been defined in this report. For the other programs (PSC, WIN, and PEP), the "transition rate" is the percentage of those terminating the programs in Fiscal Year 1972 who had a job upon termination.

In terms of the client characteristics and program support services, the Vermont PSE Project probably most closely resembles the WIN Program, and to a lesser degree the PSC Program. It least resembles the PEP Program (EEA) in the sense that most of the PEP participants are males, comparatively well educated, etc., and are cyclically unemployed who have reasonably good labor market work histories.[12]

Obviously, what has been defined as Level 1 transition in the Vermont PSE Program most closely resembles the "transition rate" in the other programs noted in the Table. As can be seen, the Vermont Project transition rate at Level 1, in an admittedly rough comparison, seems to be relatively high compared to the other programs. Specifically, when viewed with the National WIN figures, it is quite high. When viewed against the Vermont WIN experience for "successful completers" in Fiscal Year 1972, it looks even better. According to the Vermont DES records, the successful completion rate for WIN clients in FY 1972 was 21.6 percent (174 out of 804).

TABLE V-4

Transitions for Vermont PSE (E&D)
Compared to Other National Programs

Program	Transition Rate
Vermont PSE (E&D)	
Level 1	42%
Level 2	35%
Level 3	33%
Public Service Careers (National)*	38%
Work Incentive Program (National)*	30%
Public Employment Program (National)*	31%

Source: Data for PSC, WIN and PEP came from the Manpower Report of the President, 1973 (Washington, D.C., USDL, Manpower Administration, March, 1973) p. 55; data for Vermont came from Table V-2.

*Transition rate is the percentage of those terminating the Program in Fiscal Year 1972 who had a job upon termination.

Transition: Client and Job Aspects

Now that the concept of transition has been introduced, defined, and used to measure success in the Vermont PSE Program, it is appropriate to turn to an examination of the characteristics of those clients who transitioned and compare them to those who did not. Such an examination may reveal information about successful clients which could be useful in designing and recruiting for manpower programs incorporating Public Service Employment. In the remainder of this chapter, we will review client characteristics of those persons who transitioned and also some of the characteristics of the jobs they held and compare them with similar variables for those clients who did not transition. We will focus our attention on those who transitioned at Level 1 (both Type 1 and Type 2). The clients who transitioned at this level comprise the base of those transitioning at higher levels, and also provide a satisfactory number of clients (minimizing missing values) for analytical purposes.

Client Characteristics. Data on the demographic, employment, earnings, and welfare characteristics of the clients who transitioned at Level 1 (Type 1 and Type 2 combined) and those who did not transition at this level are presented in Table V-5. Since, as we have seen, male and female clients vary markedly in many characteristics, the data for each sex has been presented separately in order to determine any specific characteristics which may distinguish each sex with regard to transition.

Upon examining the data presented in Table V-5, one is struck by the fact that for both males and females the average characteristics for those who transitioned are quite similar to those who did not transition. Statistically testing the differences in the means and proportions presented, we find only a few variables which indicate some potentially meaningful difference between those who transitioned and those who did not transition in each sex grouping. Specifically, the male clients who transitioned at Level 1 as compared to those who did not

TABLE V-5

Characteristics of Male and Female Clients Transitioning at Level 1 and Not Transitioning

Variables	Male			Female		
	Level 1 (n=101)		No Tran (n=118)	Level 1 (n=101)		No Tran (n=164)
DEMOGRAPHIC						
Education--mean	10.2		10.2	11.6		11.2
Age--mean	30.6		31.8	31.1		29.8
No. of Children--mean	2.8		2.6	2.5		2.4
No. of Chldrn < 6 Yrs--mean	1.4		1.3	1.0		1.1
Pct. Hd Household	97%		97%	67%		69%
Pct. Handicapped	34%		29%	10%	***	30%
Pct. Married	86%		79%	36%		32%
EMPLOYMENT						
Yrs of Employment--mean	10.6		11.9	4.9		4.7
No. Jobs in Year--mean	1.2		1.4	.8		.8
Wks Unemplyd in Yr--mean	22.0	***	28.5	34.3		38.1
EARNINGS						
Client 12 Mo. Income--						
mean	2042		2078	995		749
median	1900		2000	300		150
Family 12 Mo. Income--						
mean	2724		2490	2453	**	1785
median	3000		2500	2400		1400
Highest Wage Earned--						
mean	2.80		2.90	1.94		1.83
median	2.57		2.50	1.90		1.75
Wage Last Job--						
mean	2.57		2.72	1.75		1.78
median	2.40		2.40	1.70		1.70
Perceived Fair Wage--						
mean	2.65		2.67	2.14		2.11
median	2.50		2.50	2.00		2.00
WELFARE						
Pct. on Welfare	34%	***	56%	61%		60%
Months on Welfare[@]--						
mean	5.6		8.9	16.7	**	24.0
median	2.0		3.0	10.0		14.0
Amt AFDC Payment[@]--						
mean	316		292	244		238
median	303		290	232		233

[@] Only includes those clients receiving welfare.

*p< .10 two tailed test.

**p< .05 two tailed test.

***p< .01 two tailed test.

had, on the average, somewhat fewer weeks of unemployment during the twelve months before entering the PSE Program and the proportion of those who were receiving AFDC prior to entering the program was substantially smaller.[13] As far as female clients are concerned, it appears that those who transitioned had a significantly smaller proportion of the handicapped clients and they came from families with higher earned incomes in the year prior to entering PSE. Also, for those clients who had been on welfare, the clients who transitioned had fewer months on welfare before PSE.

One might interpret the above findings for males as meaning that those clients who have relatively better recent work histories, i.e., less unemployment, and have not sought welfare (since they had likely been receiving unemployment compensation and may have been searching for another job) were more likely to transition at Level 1 than those clients with longer unemployment histories and who had applied for and been receiving welfare. For females, the findings seem to indicate that the clients most likely to transition to Level 1 would be those without physical or mental handicaps and who had somewhat higher family incomes--possibly due to one or both of the following factors: 1) the client had worked and had experienced less unemployment in the year preceeding PSE (the data would support this idea), and/or 2) the client had other family members contributing to income during the period of her unemployment (an additional worker, perhaps, for just a short time). The two previous factors might help explain why the successful clients who had received welfare had received the benefits for fewer months than those who did not transition.

Now let us turn our attention to those clients who did transition at Level 1 and try to determine if there were any notable differences between those employees who were employed by the PSE employer (Type 1 Level 1) and those who were employed by an employer other than their PSE employer (Type 2 Level 1). Data for this purpose, by sex, is presented in Table V-6. In general, one might suspect that those clients taking employment with another employer (either through their own choice and effort or simply because they could not be absorbed by the PSE employer and were placed elsewhere by the Employment Service) might exhibit more of the characteristics of the mobile and perhaps better qualified worker. While there is great similiarity between those with Type 1 and Type 2 transitions for each sex, there are some consistent tendencies that support the previous expectations. For example, it will be noted that both males and females who transitioned with a Type 2 transition were generally younger, better educated, had slightly fewer children, had experienced less unemployment, and for men included a lower proportion of handicapped. These characteristics would most certainly indicate, on the average, a group of clients that could be more easily placed than the group who transitioned with a Type 1 transition.

From a statistical test of the differences in the means and proportions of the data presented for each sex, we find only a few variables which seem to be statistically significant in

TABLE V-6

Characteristics of Male and Female Clients
With Type 1 and Type 2 Transitions at Level 1

Variables	Male			Female		
	Type 1 (n=67)		Type 2 (n=34)	Type 1 (n=80)		Type 2 (n=21)
DEMOGRAPHIC						
Education--mean	10.0		10.6	11.4	*	12.2
Age--mean	31.4	*	28.0	31.5		29.5
No. of Children--mean	2.8		2.7	2.5		2.4
No. of Chldrn < 6 Yrs--mean	1.4		1.4	1.1	*	.8
Pct. Hd Household	99%		94%	64%		76%
Pct. Handicapped	37%		27%	10%		10%
Pct. Married	88%		82%	36%		33%
EMPLOYMENT						
Yrs of Employment--mean	11.7	**	8.5	4.8		5.2
No. of Jobs in Year--mean	1.2		1.4	.8		1.0
Wks Unemplyd in Yr--mean	22.6		20.9	36.1		27.8
EARNINGS						
Client 12 Mo. Income--						
mean	2221		1731	911		1415
median	2000		900	250		720
Family 12 Mo. Income--						
mean	2649		2853	2466		2388
median	2800		3000	2400		2000
Highest Wage Earned--						
mean	2.76		2.89	1.88	**	2.15
median	2.50		2.50	1.80		2.00
Wage Last Job--						
mean	2.50		2.71	1.72		1.83
median	2.50		2.35	1.65		1.76
Perceived Fair Wage--						
mean	2.62		2.70	2.13		2.20
median	2.50		2.50	2.00		2.00
WELFARE						
Pct. on Welfare	37%		27%	59%		71%
Months on Welfare[@]--						
mean	6.2		4.2	17.5		14.0
median	2.0		2.0	10.0		6.0
Amt AFDC Payment[@]--						
mean	309		336	241		255
median	303		323	230		258

[@] Only includes those clients receiving welfare.

*p .10 two tailed test.

**p .05 two tailed test.

***p .01 two tailed test.

the differentiation between Type 1 and Type 2 transition and these tend to support to the point made in the preceeding paragraph. For males, those employed with another employer were younger and had fewer years of employment on the average.[14] Females who had a Type 2 transition could be distinguished, on the average, by being better educated, having fewer children under the age of six years, and having had a higher "highest wage" that they had earned.[15]

Job and Employer Characteristics. At this point, let us turn our attention to the job and employer characteristics of the clients who transitioned and those who did not transition. Data on selected Job/Employer variables are presented for males and females in Table V-7.

Specifically focusing on the "Type of Job" variable, we find the following:

> (1) For both males and females, the transition rates of those clients in the Professional, Technical, Managerial and Clerical jobs were relatively high compared to other type jobs. For males, there was a very high proportion of transitions for those clients in Farming and Forestry jobs as well. In all cases, for the job categories mentioned, males had higher transition rates than females.
>
> (2) In Service type jobs, males had a respectable forty-eight percent transition rate while females had a poor twenty-eight percent transition rate.
>
> (3) Males had very poor transition rates in the Bench Work (0 percent), Structural (35 percent) and Miscellaneous job (25 percent) categories. There were too few females in these categories to make any meaningful statements.

In terms of job categories alone, then, the data would indicate that to maximize the proportion of clients who transition, one

TABLE V-7

Job and Employer Data on Transition by Sex

Variables		Male		Female	
		Level 1 (n=101)	No Tran (n=118)	Level 1 (n=101)	No Tran (n=164)
TYPE OF JOB (DOT)					
Prof,Tech,Mgrl	0-1	16	17	26	34
Clerical	2	14	7	45	57
Service	3	44	47	28	72
Farmg,Frstry	4	3	2	0	0
Processing	5	0	0	0	0
Machine Trades	6	4	4	0	1
Bench Work	7	0	2	1	0
Structural	8	19	36	1	0
Miscellaneous	9	1	3	0	0
TYPE OF EMPLOYER					
Education		24	39	37	54
Hospital/Health		33	28	30	50
State Gov't		14	13	20	27
Child Care		5	4	6	19
Social Services		3	2	5	3
City Gov't		8	9	3	0
Other Non-Profit		14	23	10	11
PSE WAGE					
Mean Wage		2.32	2.31	2.11	2.05
Median Wage		2.25	2.25	2.00	2.00
PERCENT SUBSIDY					
Mean Subsidy		94%	95%	95%	95%
Median Subsidy		90%	90%	100%	100%
TIME IN PSE JOB[a]					
Mean Days		162	108	190	128
Median Days		152	73	179	108
WELFARE IN PSE					
Pct. Receiving Welfare		24%	48%	46%	55%

[a] Time in final real PSE work experience job. For further information on this concept, see Chapter IV, footnote 1.

might want to emphasize job development in the Professional, Technical, Managerial and Clerical areas for both men and women.[16] For male clients, reasonably high transition rates can also be obtained with appropriate matching of clients and training jobs in the Service, Farming-Forestry, and Machine Trades jobs. It appears, at least from the Vermont experience, that Service jobs for women and Structural and Miscellaneous jobs for men are job categories where there should be concern about problems with regard to potential transition.[17]

Turning now to transitions by type of employer, the following things can be seen:

> (1) For both males and females, relatively high transition rates came from those clients working for State Government, Social Services, and City Government employers.
>
> (2) For both males and females, there was a poor transition rate for the clients employed by Educational employers (e.g., school districts, private schools, colleges, etc.).
>
> (3) Male clients had high transition rates for those employed by Hospital/Health and Child Care employers, while female clients had comparatively poor transitional employment experiences with these employers.
>
> (4) For Other Non-Profit employers, males had poor transition rates while females had relatively good transition rates.

We can now relate some of the above findings to the information about job categories and transition. First, with regard to (1) above, it should be noted that the vast majority of jobs provided by State Government, Social Services, and City Government in which clients had work experience training (75 percent) were white collar jobs in the Professional, Technical, Managerial and Clerical areas. These job categories, we have seen, were those in which both sexes had high transition levels. As far as point (2) is concerned, we find that Educational institutions had very little success with male and female clients in Service and Structural type jobs. These type jobs made up sixty-five percent of the jobs that clients filled, yet the transition rate for both sexes combined in these slots was only twenty-eight percent. In the other job categories offered by the Education employers, there was a credible transition rate of fifty percent. So the main problem for Educational employers was the great concentration of clients in Service and Structural jobs and the poor transition rates in these positions.

With regard to point (3), the Hospital/Health and Child Care type employers had a high proportion of clients concentrated in Service type jobs (55 percent) and in these jobs, in general, men tended to have somewhat better transition rates than females. Finally, in point (4), the poor transition rate for men is basically due to the large number of males in the Structural type jobs and the low transition rate of these clients.[18]

Turning again to Table V-7 and examining information relating to the PSE wage and the percent subsidy for clients, we find little difference by sex between those who transitioned and those who did not transition. One might have expected that those who transitioned would have had the better paying jobs, but this is not borne out by the data presented. In terms of averages, those males and females who transitioned had approximately the same hourly wage as those who did not transition.[19] A more detailed breakdown of the wage information, relating it to the type of job and employer, is presented in Table V-8. This Table indicates the transition rates for clients, by sex, in jobs classed as being with high or low paying employers and/or job categories.[20] It is interesting to note that for females, the transition rates are in the direction expected in terms of the high paying jobs (n.s.) and employers ($z=1.71$; $p<.05$; one tailed test), but for males they are not. In fact, for males they are in the opposite direction of that expected! For females, the lowest transition rate is in the cell with the low paying employer in a low paying job. For males, on the other hand, the transition rate in the low-low cell is higher than that in the high-high cell. This is basically due to the concentration of males in the Structural type jobs with Other Non-Profit employers which were classed in the high-high cell and which had a poor transition rate. From this Table, we can see that women did reasonably well in terms of transition rates in all of the cells except the low-low cell. However, since a majority of the females were concentrated in jobs with employers falling into the low-low cell, this had a tremendous effect upon the total transition rate for women. Perhaps most surprising is that the high paying employer and low paying job cell contains the highest transition rate of any of the cells for each of the sexes. This appears to be due mainly to the overwhelming proportion of Clerical workers in work experience slots with State Government and Other Non-Profit employers.

Returning to Table V-7, we can see that the percent subsidy

TABLE V-8

PSE Client Transition Rates by Sex for Employers and Jobs in High-Low Paying Classifications[a]

Employer Categories	Job Categories		Employer Total
	Low Paying	High Paying	
Low Paying	32% n=148 (47% n= 94)[b]	43% n=46 (48% n=44)[b]	35% n=194 (47% n=138)[b]
High Paying	47% n= 55 (70% n= 20)[b]	44% n=16 (36% n=61)[b]	46% n= 71 (44% n= 81)[b]
Job Total	36% n=203 (51% n=114)[b]	44% n=62 (41% n=105)[b]	

[a] See Table III-5 for detail with regard to the jobs and employers that make up the various categories. The "n=" gives the total number of clients on which the percentage figure is based.

[b] Figures for males are in parenthesis.

TABLE V-9

PSE Client Transition Rates in Work Experience Slots Classified by Income and Subsidy Levels[a]

Average Subsidy Level	Average Expected Annual Income			Total Clients
	X ≥\$4200	⊗ ≥\$4000 \$4200	0 <\$4000	
X <95%	50% n=42 (45% n=65)[b]	29% n=58 (36% n=47)[b]	29% n=21 (60% n= 5)[b]	36% n=121 (42% n=117)[b]
0 ≥95%	33% n=49 (45% n=74)[b]	44% n=66 (64% n=25)[b]	41% n=29 (100% n= 3)[b]	40% n=144 (51% n=102)[b]
Total Clients	41% n=91 (45% n=139)[b]	37% n=124 (46% n= 25)[b]	36% n=50 (75% n= 8)[b]	

[a] Refer to Table III-8 for more detail. The "n=" gives the total number of clients on which the percentage figure is based.

[b] Male figures are in parenthesis.

seemed to make little difference for either sex with regard to transition. Table V-9 combines the subsidy information with the potential earnings on the jobs and presents transition rates for jobs examined on an earnings-subsidy basis. Upon examining Table V-9, it appears that there is little, if any, relationship between potential income and transition rate or subsidy level and transition rate. This is true for each sex and on an overall basis.

Again, returning to Table V-7, we find that for the time spent in the PSE job, both male and female clients who transitioned at Level 1 spent significantly longer (about two months) in the PSE training slot than those clients who did not transition. This, of course, is due in large part to the fact that many of those not transitioning dropped out during the PSE training period. It is interesting to note, however, that the males who transitioned, as well as those who did not transition, spent about a month less in the program than their female counterparts. In other words, regardless of the outcome, on the average, females spent about one month more on a subsidized work slot than was true for the males. This, combined with the fact that females had a lower overall transition rate than males, could indicate that it is more costly per client transition to conduct a PSE program of the Vermont type with females as clients rather than males.

The final variable noted in Table V-7 concerns the proportion of clients for each sex and outcome category who were receiving welfare payments during PSE work experience training.[21] For males there is a highly obvious and significant difference ($z=3.78$; p .01) between those transitioning at Level 1 and those not transitioning. Those male clients who transitioned were much less likely to be receiving welfare during the PSE experience than those who did not transition. For female clients, also, the proportion of those transitioning who received welfare during PSE was smaller than those not transitioning. The difference between the two female groups, however, does not appear to be as large or meaningful as was the case for males.

Now let us briefly turn to Table V-10 to examine the job and employer characteristics of those clients, by sex, who transitioned with a Type 1 or Type 2 transition. From our previous discussion of Table V-3, we know that a higher proportion of males had a Type 2 transition when compared with females. Also, from Table V-7, we have seen that the characteristics of those clients, both male and female, who had Type 2 transitions were those of younger more mobile labor force participants than the clients who had Type 1 transitions. From Table V-10 we add to this previous information by noting the following things:

> (1) For males, the high proportion of Type 2 transitions was not limited to any specific occupation, but was generally true for most occupations held (all but one job category had over 20 percent Type 2 transitions, and all but two had at least one-third of the transitions which were Type 2). For females, the vast majority of Type 2 transitions were concentrated in the Clerical type jobs.
>
> (2) With regard to type of employer, the Type 2 transitions for both sexes appears to be distributed among

TABLE V-10

Job and Employer Data on Type of Transition by Sex

Variables	Male Type 1 (n=67)	Male Type 2 (n=34)	Female Type 1 (n=80)	Female Type 2 (n=21)
TYPE OF JOB (DOT)				
Prof,Tech,Mgrl 0-1	7	9	23	3
Clerical 2	8	6	30	15
Service 3	35	9	25	3
Farmg,Frstry 4	3	0	0	0
Processing 5	0	0	0	0
Machine Trades 6	2	2	0	0
Bench Work 7	0	0	1	0
Structural 8	12	7	1	0
Miscellaneous 9	0	1	0	0
TYPE OF EMPLOYER				
Education	15	9	23	4
Hospital/Health	26	7	26	4
State Gov't	7	7	14	6
Child Care	5	0	6	0
Social Services	1	2	4	1
City Gov't	7	1	1	2
Other Non-Profit	6	8	6	4
PSE WAGE				
Mean Wage	2.29	2.36	2.11	2.10
Median Wage	2.18	2.25	2.00	2.00
PERCENT SUBSIDY				
Mean Subsidy	93%	94%	94%	96%
Median Subsidy	100%	90%	100%	100%
TIME IN PSE JOB[a]				
Mean Days	175	135	194	172
Median Days	166	135	179	144
WELFARE IN PSE				
Pct. Receiving Welfare	24%	24%	42%	57%

---

[a] Time in final real PSE work experience job. For further information on this concept, see Chapter IV, footnote 1.

several categories of employers and not concentrated with any one type of employer. The employers which had a particularly high proportion of Type 2 transitions for both sexes were State Government and Other Non-Profit. Even though the numbers are quite small, it is to be noted that males had a high proportion of Type 2 transitions with Social Service employers while the same thing was true for females in City Government. All of those, regardless of sex, who transitioned with Child Care employers, had Type 1 transitions.

(3) For each sex, the average PSE hourly wage and the average percent subsidy did not differ in a significant way between those who had a Type 1 and a Type 2 transition.

(4) With regard to the number of days in the PSE work experience program for both males and females, those who had a Type 1 transition averaged about one month (30 days) longer than those who had Type 2 transitions.

(5) A substantially smaller proportion of females who had a Type 1 transition received welfare while in PSE as compared to those with Type 2 transitions. The proportion of males in Type 1 and Type 2 transitions receiving welfare in PSE training was identical.

In points (1) and (2) above we noted that for males there was no particular job or employer category that was the major contributor to Type 2 transitions. This would indicate that the Type 2 transitions were generally spread out among the employers and not concentrated in any specific type of job. Females, on the other hand, had Type 2 transitions concentrated in Clerical type jobs. Given the fact that Type 2 transitions were spread among all categories of employers, it appears that females in Clerical jobs, regardless of the type of employer, were more likely to transition with another employer than those who were in other job categories. It is to be noted, as we might expect, that State Government PSE employers had high proportions of Type 2 transitions. This is due in great part to the lack of budget resources available to absorb the client after the subsidized PSE training experience. In many cases where the client was employed in State Government PSE slots, the Employment Service had to assist the client in finding a new position when the subsidy in the PSE slot had run out.

In point (3) it is noted that for each sex the average wage earned in the PSE work experience is approximately the same for those with Type 1 and Type 2 transitions. This would indicate that the average hourly wage during training had little to do with whether the client remained with the PSE employer or moved to another employer. Also, the levels of subsidy were similar for each type of transition for each sex group. It would seem that the employer was probably no more likely to absorb the client if he was given a total subsidy or if he contributed in part to the client's wage and benefits. As has been noted previously, this may be due to the budget characteristics of public employers (i.e., they have no extra funds for paying part of the cost of the trainee during training, but they may be able to absorb the client later due to attrition, increased allocations, etc., or else the employer may be able to pay part of the costs during training but due to no increases or cutbacks in the next fiscal year, he cannot absorb the client).

With regard to the number of days spent in the PSE work experience slot as is noted in point (4), the fact that those who have Type 2 transitions have shorter periods in the program is not surprising. First, some of the clients in PSE were looking for other jobs during their work experience employment (e.g., the WIN clients who were in "holding" status and were awaiting some placement). Second, some of those who had Type 2 transitions simply quit the PSE employment (for any number of reasons) and proceeded to find another job on their own shortly after terminating their PSE employment. Since these clients would not complete the usual six month PSE training, we would expect this to have the effect of shortening the average time in PSE for clients with Type 2 transitions. The reason that the number of days for Type 2 clients is as long as it is on the average is most likely due to the clients who completed the entire PSE training period and could not be absorbed with the PSE employer at that time.

Finally, in point (5) it is noted that the females who had a Type 2 transition had a higher proportion on welfare during PSE training than those who had a Type 1 transition. Referring to earlier Tables (e.g., V-6) it is noted that those clients with Type 2 transitions included a higher proportion of heads of households (those eligible for welfare) and a higher incidence of AFDC enrollment prior to entering PSE. We might expect that a carryover of welfare into PSE would be higher among this group given their past characteristics and due to the fact that they were placed in low paying clerical jobs for the most part (refer to the discussion of point 1).

In short, there appear to be few job/employer characteristics as have been measured in this study which specifically predict whether a transition will be of Type 1 or Type 2. We have seen that there are certain jobs and employers for males and females which appear to have higher or lower propensities to retain those who transition. In designing a particular strategy for a PSE program (e.g., maximize the number of transitions at Type 1 Level 1, one would want to use the information from Table V-10 to determine the best jobs and employers to maximize transitions, then use the data in Table V-10 to further screen jobs and employers to find the best type of job/employer characteristics to achieve the PSE goal.

Summary and Comments

In this chapter a concept of transition in PSE employment has been developed. It was operationalized with definitions and specifications for measurement. Specifically, it was noted that there could be two types of transition--i.e., obtaining a post training job with the PSE employer (Type 1) or with a new employer (Type 2). In addition, it was pointed out that several levels of transition could be meaningfully distinguished. Level 1 transition for a client was obtaining a non-subsidized job immediately after completion or termination of PSE (14 days after). Level 2 transition included all those clients in Level 1 who also had no decrease in their hourly wage in the non-subsidized job after PSE training. Level 3 transitions would include the clients who qualified for Level 2 transitions, but in addition retained their non-subsidized job for a substantial period of time after completion of PSE training (90 days). From the data, we found that forty percent of the Vermont clients transitioned at Level 1, thirty-five percent at Level 2 and thirty-three percent at Level 3. It was found that a client who is employed directly upon completion of his work experience with the PSE employer (Type 1) was more likely to meet Level 3 transition requirements than those employed with another employer (Type 2). Males had significantly higher transition rates than females at all levels of transition and by each type of transition. In a rough comparison to data on "transitions" from other programs with PSE components, the transition rates from the Vermont E&D Program compared favorably.

Upon examining the characteristics of the clients who transitioned at Level 1 and those who did not, it was found that males who had better work histories prior to enrolling in the PSE program (i.e., fewer weeks unemployment, smaller proportion having received welfare) tended to have a higher probability of transitioning. For females, those clients with fewer handicaps and coming from families with higher earned incomes during the year preceeding PSE employment tended to be more successful at transition. For both males and females, in general, the clients who had a Type 2 transition tended to be those with the characteristics of highly mobile labor force participants (e.g., young, better educated, fewer children, etc.).

In terms of the job characteristics of the clients who transitioned contrasted to those who did not transition, it was found that for both males and females, white collar jobs had very good transition rates. Males had satisfactory transition rates in Service jobs but poor rates of transition in Structural type positions. Females did poorly in transition from Service type jobs. With regard to employer characteristics, it was discovered that both sexes tended to transition well from jobs provided by State Government, Social Services and City Government, while both sexes did poorly in jobs provided by Educational employers. This appeared to be due greatly to the type of jobs provided by these employers. In addition, males did well with Hospital, Health, and Child Care employers and poorly with the Other Non-profit employers while females had just the opposite experience.

With regard to other job/employer information, it was noted that for both sexes, on the average, there was no difference in wage or subsidy levels between those who transitioned and those who did not transition at Level 1. However, it should be noted that when the jobs and employers are categorized by "high paying" and "low paying" characteristics, females did tend to have more transitions in the direction of "high" paying employers and jobs, but this was not true for the men (indeed, it was an inverse relationship for them). It was also discovered that those who transitioned (both sexes) spent about two more months in the Program, on the average, than those who did not transition. Regardless of outcome, however, males spent less time in the Program than females. Finally, of males who transitioned, there were significantly fewer individuals receiving welfare during PSE than was the case for males who did not transition. There was no meaningful difference for females on this dimension. In addition, other information is presented in the chapter on job/employer characteristics differentiating the Type 1 from Type 2 transitions at Level 1.

The findings as summarized above might indicate several things to the reader. Specifically, it appears that there is no simple predictor of transition for all clients. It is most likely a complex admixture of personal, attitudinal, and job/employer training characteristics that affects the final outcome. Many of the relevant and important characteristics (personal and job/employer) have been identified in this chapter and should be considered jointly and interactively when planning a program for training unemployed disadvantaged or welfare clients. To the author, it would appear that a rational PSE Program design might include the following:

(1) Define as precisely as possible the client group to be recruited for the program (e.g., male welfare recipients who have been unemployed over 26 weeks with two or more children). Do not try to make one program the only one for a large nebulous group.

(2) Define specifically the goals of the PSE work experience or training in terms of the Type and Level of transition outcome desired (e.g., Type 1 Level 2 outcome is desired).

(3) Use the data in this and preceeding chapters to select the type of jobs, employment characteristics, employer types and other relevant variables which will maximize the probability of the desired outcome.

This approach will better focus the recruiting and job development efforts into a meaningful more manageable manpower program with a higher potential for achieving the desired outcome.

Footnotes

[1] For an interesting review of the legislative history of The Emergency Employment Act and the importance attached to the inclusion of the term "transitional", see Sar A. Levitan and Robert Taggart, "The Emergency Employment Act: An Interim Assessment," mimeographed draft dated March 16, 1972, pp. 15-21.

[2] It seems that some Congressmen felt that "transitional" dealt with the temporary nature of emergency Public Service Employment while others interpreted it as a job related concept indicating a short term job in PSE with potential movement to non-subsidized employment. For the earlier viewpoint, see comments by Congressman Carl D. Perkins, Congressional Record, July 1, 1971, p. H6225. For concepts supporting the latter view, see any of the following sources: "Nixon Signs Public Service Jobs Bill," Washington Post, July 13, 1971, p. 111; Report of Ways and Means Committee on HR1, House Report No. 92-231, p. 170; Everett Crawford, Public Service Employment Programs, Pamphlet No. 8, Center for Governmental Studies (Washington, D.C., August, 1971) p. 28; The National Manpower Policy Task Force Associates, Public Employment Manpower Programs (Washington, D.C., July, 1972) p. 9.

[3] The 14 day criterion has other features as well. First, if they plan on working, then many of the clients have limited resources and cannot spend lengthy periods of time out of work. They would want employment quickly to sustain themselves and their family. Second, a review of the data indicates that of all those clients who eventually got some kind of employment after PSE (some persons obtaining employment more than a year after termination), 76 percent got employment in the first two weeks after PSE. The majority of those remaining got their jobs much later (mean is 88 days, median is 62 days), and the jobs were largely with employers other than the PSE employer.

[4] If a client's wage is equal to or greater than his PSE wage, this is also a rough indicator that the skill level he is working at is similar or higher than that in the PSE work experience. This is consistent with the concept presented in Figure I-1.

[5] When a client concluded his work experience in the Vermont PSE Program, he was assigned one of five possible termination statuses. The termination statuses and the number of clients in each status are as follows: Status 1, completed PSE but no placement upon completion--56 clients; Status 2,

completed PSE but placed in another training program--19 clients; Status 3, terminated PSE without completing but with good cause (e.g., sickness, pregnancy, incarceration, etc.) --80 clients; Status 4, terminated PSE without completing and without good cause--115 clients; Status 5, completed PSE and upon completion expected to be placed on available job (placement did not always occur, however)--214 clients. It should be noted here that even though 484 clients had a termination status, this does not mean that all of them had been out of the PSE Program long enough to have follow-up information at the 30, 90, and 180 day intervals.

[6] The termination status assigned by the Employment Service to each of the clients who transitioned at Level 1 was as follows: For the entire group of 202 clients, 192 had a termination status of 5 (completed and placed), four clients had a termination status of 1 (completed but not placed), two clients had a termination status of 3 (terminated for good cause), and three clients had a termination status of 4 (terminated not for a good cause). All of the clients with a Type 1, Level 1 transition had a termination status of 5. The nine clients with a termination status of 1, 3 or 4 were all in Type 2, Level 1 transitions. This would indicate that the majority of clients who transitioned at Level 1 had some job available to them at the time of completion. For the nine clients who did not complete or were not placed upon completion and yet who obtained a job within 14 days, in all cases they found this job with some employer other than the PSE employer--and in many cases probably found the job on their own.

[7] When we adjust for missing data, we mean that we are including in our calculations only those clients for whom all data is available for this Level of transition. Using the information in Table V-2, the percentage transition at Level 2 was calculated in the following way: 1) a total of 166 clients transitioned at Level 2; 2) since eight of the clients who transitioned at Level 1 are missing, subtract eight from the number who transitioned at Level 1 to obtain the number for whom data is available for both Level 1 and Level 2 (i.e., 202-8=194); 3) use the 166 clients as the numerator and 194 as the denominator and calculate the percentage of transitions (i.e., 166/194=85.6%). In calculating the percentage transitions at Level 2 and Level 3 for Total, Type 1, and Type 2 transitions, similar adjustments were made. The reader can compute the transition rates for himself using Table V-2.

[8] The number of those transitioning at Level 3, when related to the entire population for which complete information is available (409 clients), indicates that 137/409 or 33 percent transitioned at this level.

[9] If we only count those who transitioned with a Type 1 transition at Level 1, then the proportion of all male clients transitioning is the same as the proportion of all female clients--30 percent for each.

[10] This difference between males and females qualifying for Type 2, Level 2 transitions might be better understood if the reader recalls that the PSE job for males was, for a majority, at a wage below their wage on the last job while for females, the PSE job was generally above their wage on the last job. So, when males move from the PSE employer to another job, there is a better chance that their wage will be above their PSE wage than is the case for females.

[11] This means, of course, that those clients qualifying for Level 1 by getting a job in 14 days after PSE with some employer other than the PSE employer were much more likely than those employed with the PSE employer to get a job paying an hourly wage *less than* that on the PSE job.

[12] For a description of the characteristics of the PEP enrollees, see the *Manpower Report of the President*, 1973, p. 43.

[13] It is the writer's opinion that the differences in weeks unemployed and the percent on welfare before entering PSE are simply outward manifestations of a more basic attitude or mental set on the part of the clients which differentiates them. For example, while those who transitioned did, in fact, have fewer weeks of unemployment, the average number of weeks was still very high (22 weeks) and one would think they would have relied to a greater extent on welfare as did the no transition clients (28 weeks unemployment). It is possible, since there are no real differences in the percent head of household, handicapped, education, etc. that the lower rate of welfare reliance by the transitioned clients and the somewhat lower length of unemployment is simply due to their unwillingness to take welfare and their continuing desire to find a job--in other words, perhaps a greater work orientation.

[14] Client age and years of employment are highly correlated for males ($r=.90$, $p<.001$). Since males typically have continuing involvement in the Labor Force, it would appear that years of employment here can be explained by age.

[15] For females, the highest wage is positively correlated with education ($r=.43$; $p<.001$), therefore, it is not particularly surprising that the group with higher average education would have the higher average "highest wage earned" as well.

[16] The reader no doubt recognizes that these categories are what we have previously called White Collar job categories. For males, the transition rate in white collar jobs was 56 percent compared to 43 percent for blue collar jobs. For females, the transition rate was 44 percent for white collar jobs and 29 percent for blue collar jobs.

[17] With regard to the Structural job category for men, it should be noted that several of the clients were put on jobs in two experimental projects (i.e., the Ecology Shop and Middlebury Home Construction) which eventually were disbanded and the workers, most of whom were suffering from severe employment barriers such as alcoholism, emotional problems, etc., were never placed. However, those in Structural type jobs had very poor transition records across a wide variety of employers so that it appears that this job type was a problem area in terms of transition.

[18] Structural jobs made up 67 percent of PSE jobs held by men with Other Non-Profit employers. See footnote 17 for additional information on transition problems for Structural workers in the Other Non-Profit employer category.

[19] A further analysis found little difference between those who transitioned and those who did not in the proportion who had PSE wage greater than or equal ($\geq$) to the wage on the last job. For example, 45 percent of the males who transitioned had a PSE wage $\geq$ to their wage on the last job, while 47 percent of those who did not transition had such a wage level. For females, of those who transitioned, 85 percent had a PSE wage $\geq$ their wage on the last job, while 84 percent of those not transitioning had such a wage level. With regard to the PSE wage relative to the perceived fair wage, 45 percent of the men who transitioned had a PSE wage $\geq$ their perceived fair wage and 38 percent of those who did not transition saw the PSE wage $\geq$ fair wage. For females, the comparable proportions are 69 percent and 67 percent.

[20] See Table III-5 for more detail relating to this Table.

[21] The reader should compare the proportion of clients on welfare during PSE in Table V-7 with the comparable data in Table V-5. He can then see the proportion of clients in each of the categories going off welfare when coming into PSE. It will be noted that for both males and females who transitioned, there was a greater decline in the proportion of those receiving welfare after entry into PSE than was true for those who did not transition. In addition, in all categories for both sexes, the average size of the AFDC payment to those receiving it was reduced after entering PSE.

Chapter VI

CLIENT EXPERIENCE AFTER PSE: EMPLOYMENT AND WELFARE

A basic objective of the Vermont E&D Project has been to use the PSE work experience, supplemented with extensive support services, as a mechanism to assist the client in moving from unemployment to employment and from economic dependence (i.e., AFDC, Unemployment Insurance) to economic independence (or at least reduce dependence). It is the purpose of this chapter to briefly review the results of the Program in terms of these objectives. The discussion will focus on a comparative analysis of the post-PSE employment and welfare experiences of the clients who were enrolled in the Program. The experiences of those who transitioned at Level 1 will be compared with those of the clients who did not transition. The first part of the chapter will deal with the employment experience of the clients after leaving the PSE Program. The second part of the chapter will review the welfare dependency status of the clients during the same post-PSE period. A final discussion will summarize the success of the Program in these areas.

Employment After PSE

One of the critical questions in the evaluation of the effectiveness of the PSE Program is to determine if those clients who transitioned, in fact, had better experiences in the labor market (i.e., they were employed and maintained employment over time) than those clients who did not transition. Table VI-1 sets forth a comparative analysis of the follow-through experiences of the clients on the basis of sex and transition.

Upon examination of the first entry in the Table, "Percent Employed," a basic finding emerges. It is apparent that for both sexes those clients who transitioned at Level 1 had significantly higher proportions of their numbers employed at the post-PSE follow-through intervals of 30, 90, and 180 days than the clients who did not transition. This was true even though: 1) for both sexes there appeared to be consistent attrition rates in employment for those who transitioned (e.g., for males about 85% of those who transitioned had jobs at 180 days after completion and the comparable figure for females was 78%), and 2) there was an increasing percentage of those who did not transition who obtained employment after completing or termination of PSE (this was particularly true for the period between termination from PSE and 90 days after).[1] This would indicate that a client, regardless of sex, transitioning at Level 1 from the PSE Program would have a much higher probability of being employed in the succeeding six months than the client who did not transition from the Program.

Recognizing the limitations imposed in interpreting the findings over time in the follow-through period because of missing information, the data do seem to suggest that for those who transitioned at Level 1, males appear to have slightly better job retention rate than females as time passes after the PSE

TABLE VI-1

Employment Experience of Clients After PSE by Sex and Transition

Employment Factors	Male		Female	
	Level 1[a]	No Tran	Level 1[a]	No Tran
Percent Employed				
30 days	93%(97)[b]	13%(93)[b]	95%(97)[b]	13%(150)[b]
90 days	90%(91)	27%(88)	86%(92)	22%(138)
180 days	85%(80)	28%(79)	78%(74)	21%(121)
Percent Employed with Initial Employer				
30 days	98%	100%	98%	95%
90 days	91%	95%	89%	97%
180 days	85%	71%	88%	100%
Wage Rate (for all those holding jobs)				
Before PSE				
Wage last job[c]				
mean	$2.57	$2.72	$1.75	$1.78
median	2.40	2.40	1.70	1.70
Highest Wage[c]				
mean	2.80	2.90	1.94	1.83
median	2.57	2.50	1.90	1.75
After PSE				
30 days				
mean	2.50(87)	2.62(10)	2.15(90)	1.96(17)
median	2.25	2.50	2.00	2.00
90 days				
mean	2.59(78)	2.55(23)	2.20(78)	1.94(27)
median	2.28	2.50	2.13	2.00
180 days				
mean	2.56(65)	2.64(20)	2.23(57)	1.97(20)
median	2.30	2.50	2.15	2.00

[a] This is the total of those transitioning at Level 1, for this sex grouping. It includes Type 1 and Type 2 transitions.

[b] The number in parenthesis represents the total number of clients in a category for whom data are available. This number is the denominator for the accompanying percentage. For example, for males who transitioned at Level 1, we note that 93% of 97 clients (or 90 clients) were employed at 30 days after PSE. For those males who did not transition, 13% or 93 (or 12) were employed.

[c] The data on wages before PSE is taken from Table V-5.

work experience. This is indicated, for example, by the fact that at 180 days after PSE, eighty-five percent of the males who transitioned were employed as compared to seventy-eight percent of the females.

Again, recognizing the need for caution in interpretation, the data suggest that for those who did not transition, males seem to have a somewhat larger proportion of their group who obtain jobs after PSE than females. For example, at 180 days, twenty-eight percent of the males who had not transitioned were employed while twenty-one percent of the females had found employment. It would seem, then, that between twenty and thirty percent of the clients who did not transition would be expected to find employment in the six month period following termination or completion of the PSE work experience. It is interesting, that for both males and females who did not transition at Level 1, almost all of those who obtained jobs in the six month follow-through got their jobs within three months after termination. After this, the proportion employed appears to stabilize for both sexes.

Employed with Initial Employer. Turning to the next category in Table VI-1, "Percent Employed with Initial Employer," the data provides an indication of the job/employer changing characteristics of the clients in the various classifications. First, for both males and females who transitioned at Level 1, the employer changing experience tends to be quite similar over time. Generally speaking, these clients tend to remain with the initial employer over time. More specifically, however, at thirty days after completion of PSE almost all of the clients who transitioned (98%) are still employed by the initial employer. For those still employed at 180 days, however, there appears to have been some more noticeable change of employers. Approximately ten to fifteen percent of the clients are working for an employer other than their initial employer with whom they transitioned. With regard to the clients who did not transition, however, there are some very noticeable differences between the males and females as well as between them and their counterparts who did transition. For males who did not transition, for example, at 30 days all of the non-transitioned males who were employed were working for the employer with whom they took their initial job. By 180 days, though, only seventy-one percent of the males employed were working for their initial employer. For females who did not transition, at 30 days, ninety-five percent of the females were working for the employer that gave them their initial job after PSE. By 180 days, one hundred percent were working for the initial employer. There was little movement for the females between employers as compared to the males. These findings might indicate that a substantial proportion of males who did not transition but took jobs within the first three months after leaving PSE tended to change employers within about three months after taking the initial job. The females who did not transition but obtained jobs during the first three months after PSE, though, generally tended to stay with the initial employer that hired them. The few females who did move once or more appeared to do so very soon after their initial job and then may have dropped out of the labor force.[2]

In addition to the above information, it is interesting to note that the transition status of the clients appears to be related to whether or not they were employed in the follow-through period in the occupational categories (DOT one digit) in which they were trained during PSE. For example, at 30 days, about seventy percent of the males who transitioned were employed in similar job categories as their training jobs. For the men who did not transition but found jobs, only one-third were in similar job categories as their PSE training jobs. For females, eighty-two percent of those who transitioned and who were working at 30 days after their PSE experience had jobs in the same basic category as their PSE training job. Of the females who did not transition but were working at this time, three-fourths of them were in similar job categories.[3] At 180 days, sixty-one percent of the males who transitioned and were then working held jobs in the same general category as they held in PSE training. Only one-fourth of the men who did not transition but were working at this time had jobs in the same category as their PSE jobs. For women at 180 days, seventy-eight percent of the transitioned females had jobs in the category of their PSE jobs, while two-thirds of those who did not transition, yet were working, had similar job classifications. Broadly, what the above discussion points out is that if a person transitions at Level 1, he (regardless of sex) is more likely to continue working in the general job category he was trained in during PSE than if he did not transition. This is less true for males than females, however. It does appear that for males who did not transition, the type of job in the PSE work training experience has little, if any, influence on the type of job he holds after he terminates his PSE experience.

Wages. Referring again to Table VI-1, the last category presented, provides information on average hourly wage rates before and after PSE for comparative purposes. Upon examining the wage rates for males in the follow-through period after PSE, one notices that the clients who did not transition but obtained jobs after they terminated PSE did no worse, in fact, may have done slightly better on the average than those who transitioned. The mean hourly wage for males who transitioned was approximately the same in all three follow-through periods as the wage for that group in the last job prior to PSE. The median wage was lower for the post-PSE periods, however, as compared to the median wage on the last job. This would indicate that many of the clients were working for a wage rate slightly less than they received on their last job. On the other hand, those males who did not transition but did find a job were also generally working at a mean wage which was less than that on the last job, but for the entire group who did not transition, they had a median which was higher.

With regard to females, the women clients who transitioned from PSE did markedly better in hourly wage rates than those who did not transition but did find jobs after terminating from PSE training. However, it should be noted that in terms of both mean and median hourly wages the females who transitioned, as well as those who did not transition, were working at wage rates which on the average exceeded the previous highest wage for their respective groups! In short, then, for males there appears to be little advantage when looking simply at the hourly wage rate earned for those who transitioned from the program as compared to those who did not transition and yet found a job later. Looking at it in a somewhat different perspective, however, it would appear that the men who transitioned from PSE do no better in terms of the hourly wage rate, but they probably have an advantage for total earnings due to a potentially more stable job situation with expected increases in hourly wage rates over time.[4] For women, it appears that transition at Level 1 from the PSE Program does make a substantial difference in hourly wage rates earned and potential earnings over time. The improvement over past wage rates is most likely due to the movement from part-time low level jobs in the secondary labor market into full-time jobs in the primary market with a government or non-profit employer.

Job Satisfaction. Turning now to Table VI-2, we can focus on the question of client job satisfaction in the post-PSE period. The data in the Table presents the proportion of clients, for whom data was available, expressing satisfaction with the overall job and specific elements of the job that they held after PSE.[5] Upon examination of the Table, tne following things become apparent:

First, regardless of the sex and transition category, the proportion of those employed who were satisfied was quite high.

TABLE VI-2

Job Satisfaction by Sex and Transition for Those Clients Employed in Post PSE Jobs

Job Satisfaction Variable	Male		Female	
	Level 1[a]	No Tran	Level 1[a]	No Tran
Percent Satisfied with Job Overall				
30 days	100%(85)[b]	90%(10)[b]	100%(91)[b]	94%(16)[b]
90 days	100%(78)	100%(24)	100%(77)	100%(27)
180 days	99%(67)	100%(20)	100%(58)	100%(23)
Percent Satisfied with Wage				
30 days	78%	80%	86%	94%
90 days	83%	79%	79%	81%
180 days	87%	85%	78%	83%
Percent Satisfied with Supervisor				
30 days	100%	100%	99%	94%
90 days	100%	100%	97%	100%
180 days	100%	100%	97%	96%
Percent Satisfied with Type of Work				
30 days	99%	100%	100%	100%
90 days	100%	92%	100%	96%
180 days	97%	100%	95%	96%
Percent Satisfied with Job Location				
30 days	92%	90%	97%	100%
90 days	91%	92%	95%	93%
180 days	97%	85%	98%	100%

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[a] This is the total of those transitioning at Level 1 for whom data are available. It includes Type 1 and Type 2 transitions for this sex grouping.

[b] The number in parenthesis represents the total number of clients in a category for whom data are available. This number is the denominator for the indicated percentage. For example, for males who transitioned at Level 1 and were employed at 30 days after PSE we note that 100% of 85 clients (i.e., 85) were satisfied with the job on an overall basis. For those males who did not transition, but held jobs at 30 days, 90% of 10 clients (i.e., 9) were satisfied with the job they held on an overall basis.

This is confirmed by the fact that virtually all of the clients expressed satisfaction on an "overall basis" with the job they held. More specifically, a sizeable majority was satisfied in each of the job element categories, (i.e., wage, supervision, type of work, and location of job) for each of the follow-through time periods.

Second, there appears to be little, if any, difference between those who transitioned and did not transition in the proportion expressing satisfaction on an overall basis or for each of the specific job factors. In other words, the proportion of those who had transitioned, were employed, and expressed satisfaction on the job was very similar to that of the non-transitioned employed clients in the follow-through period.

Third, for all categories of clients (sex, transition), the specific job area where the greatest proportion of dissatisfied clients existed was in the area of wages on the job. However, even in this case, the large majority of clients expressed satisfaction with their wage on the post-PSE job.

The fact that 1) a high proportion of the clients expressed satisfaction with their job regardless of whether they transitioned or not, and 2) that there was little difference in the relative proportions of those satisfied in these two groups, should not be particularly surprising. For example, for those clients who transitioned, we know that after they left PSE they were placed in jobs much like (identical in many cases) their PSE jobs--in a majority of cases with their PSE employers. If, in fact, the client had been highly dissatisfied in part or with the entire job, he would most likely have dropped out of the program much earlier. Most of these clients had a good deal of operating experience in the jobs they were placed in on completion. Therefore, one might generally expect those who transitioned to be reasonably satisfied with their jobs. In addition, those clients who did not transition, yet were employed in the post-PSE period, might also be expected to be satisfied for the most part. For example, for those who did not transition, they generally left the PSE program for some reason (acceptable or unacceptable). Many of these clients simply may not have liked the PSE job in general or some specific aspect(s) of the job. As we have seen, those who were employed later took other jobs with other than PSE employers. Not only this, but those who were working after PSE were working because they had some interest in or motivation to work. Those who were not working either could not get another job, could not find another job that suited them, or did not want to work. Therefore, those who did not transition but were working probably wanted to work. With this more select group, it does not seem too surprising that there is a proportion of these clients who are satisfied that is comparable to that of the clients who transitioned.

In the earlier discussion, it was noted that the one specific aspect of the job where a noticeable proportion of the clients expressed dissatisfaction was the hourly wage rate. While this proportion of dissatisfied was small, it was by far the area wherein the largest proportion of client dissatisfaction was expressed--and this deserves some discussion. A careful review of the basic data indicates that the clients dissatisfied with their wage rates may have had good reason for their dissatisfaction. For example, using the information from the 90 day follow-through on wages for those who were satisfied and dissatisfied, we obtain the following information:

1) For females who transitioned and were satisfied, the mean hourly wage was $2.27; for the females who transitioned and were not satisfied with their wage, the mean hourly wage was $1.95; for females who did not transition but did find jobs and were satisfied with their wage rate, the mean hourly wage was $2.00; and for females who did not transition, but did work at this time and were not satisfied with their wage, the hourly wage was $1.78!

2) For males who transitioned and were satisfied with their wage, the mean hourly wage was $2.69; for the males who transitioned and were not satisfied, the mean hourly wage was $2.13; for males who did not transition but did find jobs and were satisfied with their wage rate, the mean hourly wage was $2.69 (identical to that of those who transitioned and were satisfied); and for males who did not transition, but did work at the 90 day follow-through and were not satisfied with their wage, the mean hourly wage was $2.16.

In short, those who were dissatisfied with their wage rate were, on the average, receiving from thirty to fifty cents per hour less than those who were satisfied. Obviously, the clients in the low wage jobs felt some dissatisfaction with the wage rate. What is particularly interesting, however, is that this dissatisfaction with the wage rate is not so significant that it influences the "overall" satisfaction with the job to any great degree. It will be recalled from Table VI-2 that virtually all of the clients expressed satisfaction with the job on an overall basis. The result of this may be that the client on the low wage job who is dissatisfied with his wage rate is willing to stay on the job he holds, since it brings in an income and is not completely dissatisfying, until he is able to find a better position or simply drops out of the market to accept alternative sources of income.[6]

Welfare After PSE

As was pointed out earlier in the chapter, and has been emphasized throughout the report, a second major objective of the PSE Program was to assist the clients in becoming economically independent--or at least less dependent on economic transfer payments. There was a particular interest in determining if PSE might be a useful mechanism to help in reducing dependence on AFDC payments. Specifically, this could take the form of helping clients transition into jobs providing adequate income so as to move them completely off welfare or, at a minimum, help the client find a job so he could provide some income for his support and the amount of the welfare payments to him could be reduced.

Clients Receiving Welfare. A review of the data on the outcomes of the clients lends support to the belief that a PSE Program might help reduce the number of clients receiving welfare.

It will be recalled from Chapter II that fifty-four percent of the clients enrolled in PSE were receiving AFDC payments prior to entry. The follow-through data indicate that at 90 days after completion of PSE, for example, only thirty-nine percent of the clients were receiving welfare (AFDC). The proportion of males receiving AFDC declined from forty-six percent before PSE to twenty-seven percent at 90 days after PSE. Comparable figures for females were sixty percent before PSE and forty-nine percent after PSE. More specifically, data by sex and transition status is presented in Table VI-3. From the data in that Table it can be seen that each sex and transition category appears to have a smaller proportion of clients receiving AFDC in the post-PSE period than was true in the period before they entered PSE training. However, it is obvious that all of the categories did not share equally in the proportion of those moved off welfare dependency. It is clear that those clients, both male and female, who transitioned at Level 1 had significantly reduced proportions of their populations on welfare in the follow-through period. For males who transitioned, there was a seventy-five percent reduction (from 34% to 9%) in the proportion of those who were receiving welfare. For females, the corresponding reduction was about forty-five percent (from 61% to about 34%).[7] The non-transition group for each sex category had some reduction in the proportion of those who received welfare (about 16% reduction for men and approximately 8% for women), but it was not as spectacular as for those who transitioned. It is of particular interest to note that the proportions of those

TABLE VI-3

Welfare Experience of Clients After PSE by Sex and Transition

Welfare Factors	Male		Female	
	Level 1[a]	No Tran	Level 1[a]	No Tran
Percent Receiving Welfare Before PSE[c]	34%(101)[b]	56%(118)[b]	61%(101)[b]	60%(164)[b]
After PSE				
30 days	9%(96)	47%(89)	34%(96)	54%(147)
90 days	9%(90)	47%(86)	36%(92)	57%(138)
180 days	9%(78)	42%(78)	34%(74)	55%(119)
Percent of those Receiving AFDC Before PSE who Still Receive AFDC After PSE				
30 days	27%(33)	72%(54)	57%(58)	78%(95)
90 days	24%(33)	71%(51)	54%(57)	81%(88)
180 days	18%(28)	64%(45)	51%(47)	80%(75)
Amount AFDC Payment for those Receiving AFDC				
Before PSE[c]				
mean	$316	$292	$244	$238
median	303	290	232	233
After PSE				
30 days				
mean	284	319	177	218
median	329	316	183	212
90 days				
mean	256	315	192	230
median	350	316	186	232
180 days				
mean	283	296	202	217
median	309	291	200	210

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[a] This is the total of those transitioning at Level 1 for whom data are available. It includes Type 1 and Type 2 transitions for this sex grouping.

[b] The number in parenthesis represents the total number of clients in a category for whom data are available. This number is the denominator for the indicated percentage.

[c] The data on information before PSE is taken from Table V-5.

receiving welfare after PSE for all categories does not change appreciably during the six month follow-through period. This stability could indicate a long term reduction in the proportion of welfare recipients in each of the categories.[8]

Additional information presented in Table VI-3 shows the percentage of those who received welfare before PSE and were still receiving it after PSE. This data reinforces the above discussion about differential reductions in the number of AFDC recipients in the various categories. In addition, however, a few simple calculations with this data demonstrates that the overwhelming majority (ninety to one hundred percent) of those receiving AFDC after PSE consisted of clients who had received it prior to entering PSE. In other words, in each sex/transition category there were very few welfare recipients after PSE who had not received welfare before PSE as well.

Welfare Payments and Outlay. The final major welfare factor considered in Table VI-3 deals with the amount of the welfare payment to those receiving welfare in each of the sex/transition categories. Mean and median values of the payments for each group are presented for the pre-PSE period and the post-PSE follow-through periods.

Aggregating the data presented in the Table, it is possible to calculate the change in the amount of the average welfare payment from before PSE to the post-PSE period. On an overall basis, the average (mean) payment to those receiving AFDC appears to have declined about five to nine percent (from $263 before PSE to between $239 and $249 during the post-PSE period).[9] Therefore, on an overall basis, it appears that for those clients continuing on welfare after PSE, there was a modest reduction in the amount of monthly payment they received. However, when the analysis is performed for males and females separately, a different picture emerges. For males, as an illustration, it appears that initially after PSE, those on welfare were receiving average payments slightly higher than before PSE. Over time, however, this appeared to change downward until the average payment was slightly below the average received before PSE.[10] It would appear that, on the average, males on welfare after PSE received about the same payment or perhaps a slightly higher payment (approximately one to two percent) than was received before PSE. The average payment for females appeared to decline somewhere in the range of six to fourteen percent after PSE.[11] This, of course, more than offset the small increase in the average payment to males and resulted in the overall lower average monthly AFDC payment to those clients receiving welfare after PSE.

Turning directly to the data presented in Table VI-3, we can see the average payment for each sex and transition status group. For males, it is to be noted that those who transitioned had lower mean but higher median welfare payments in the post-PSE period. This change could indicate that most clients were receiving about the same or slightly higher payments, but that the distribution of payments has changed from one which is skewed toward the lower end. For the males who did not transition and were welfare recipients, both the mean and median values were slightly higher in the post-PSE period. Females who received welfare after PSE, regardless of whether they transitioned or not, consistently had mean and median payments which were lower than the payments received in the pre-PSE period.

Finally, it should be noted that for the client group enrolled in PSE, the total monetary outlay (expense) for welfare payments each month appears to have been reduced. This, of course, would be expected since we have seen that the total number of clients on welfare after PSE was reduced and that the overall average monthly payment had declined. The best estimate that can be made by this author is that total welfare outlay each month for the group of PSE clients studied was reduced by about one-third.[12]

Summary and Comments

At the outset of this chapter it was noted that two basic objectives of the Vermont PSE Program were to assist the unemployed in moving into full-time employment and to reduce the dependence on AFDC. With regard to employment, the data indicated that about forty-eight percent of the clients, all of whom had been unemployed upon entry into PSE, were employed at some time during the six month follow-through period. For both males and females, those clients who transitioned at Level 1 had significantly higher employment in the post-PSE period than those who did not transition--with over eighty percent of them retaining employment. The data indicates that about twenty to thirty percent of those not transitioning could be expected to get jobs in the three month period following PSE, but few additional clients obtained jobs after this initial period.

It was found that for clients of both sexes who transitioned at Level 1, there was a strong tendency to remain with their initial employer after PSE over time if they continued to work. This was also true of females who did not transition but did find jobs after they terminated from PSE. Males who did not transition but did go to work, however, tended to move more freely between employers in the follow-through period, but still a majority did remain with the initial employer in the time span covered by this research. In terms of job categories in which the clients were employed, those clients who transitioned at Level 1 seemed to remain in a job category similar to that of the PSE training slot in the follow-through period. For those not transitioning, this tendency was much less pronounced--especially for males. For non-transitioned males who found jobs after PSE, a majority of those were in jobs with different basic DOT codes from that held in the PSE training. With regard to wage rates of the clients after PSE, it was found that for males the average hourly wage earned by those who did not transition was equal or perhaps slightly higher than that for the clients who did transition. Many of the males who transitioned apparently were working for a wage rate after PSE slightly below that on their last job before PSE. For those who did not transition, some were working at perhaps slightly less than they had earned on their last job before PSE. For female clients, the average wage of those who were working after completion of PSE was higher than their average wage on the last job before PSE. Females who transitioned from PSE were making substantially better wages than those who did not transition but were working.

The proportion of the clients who were working after PSE and expressed satisfaction with their job was generally quite high for all sex/transition groups. There was little, if any, difference between the clients who transitioned and those who did not in the proportion expressing satisfaction on an overall basis with the job they held or with specific job factors. The greatest proportion of dissatisfied for all groups was in the area of satisfaction with the hourly wage. It was found that those who were dissatisfied had good reason to be since they had very low relative wage rates compared to those who expressed satisfaction.

Turning to the question of welfare payments, it was noted that the proportion of clients receiving welfare after PSE was substantially less than that before PSE. The reduction in welfare dependency came mostly from those male and female clients who transitioned at Level 1. A large majority of those who were receiving AFDC payments after PSE were clients who were on welfare before PSE and did not transition from the PSE Program. In addition, the average amount of monthly welfare payments for those receiving AFDC after their PSE experience was lower than the average payment to AFDC recipients before PSE. Looking at the data divided on a sex breakdown, however, males remaining on welfare seemed to receive about the same average monthly payment after PSE (or perhaps slightly more) than before PSE. Females on welfare after PSE, though, had an average monthly payment which was substantially reduced from that paid prior to PSE. Finally, it was calculated that the total welfare outlay for AFDC payments for those clients on welfare after PSE had been reduced from that paid before PSE to the same group by a factor of about one-third. This, of course, was basically due to the reduction in numbers receiving AFDC and to the overall reduced size of the monthly payment.

In conclusion, while it is not possible to distinguish its precise impact, it appears that the Vermont Experiment with PSE and heavy support services could be considered successful, at least with particular groups, in achieving its objectives of increasing employment and reducing welfare dependency. Specifically, the program seemed to be more successful with males than females. In addition, for each sex group, those who transitioned from PSE were more successful--in terms of increased long term employment after PSE and reduced welfare outlay--than those clients who did not transition.

Footnotes

[1] One must exercise caution throughout this chapter when interpreting the data in the follow-through period over time since the data are incomplete (some clients had not reached the 180 day mark after PSE, and data was unavailable on others). If we assume that those clients for whom information is available at the 90 and 180 day follow-through periods are similar and representative of those for whom information is available at 30 days (and this appears reasonable to do), then we can cautiously suggest that the data over time in the follow-through period is indicative of trends for the client group.

[2] This interpretation would be consistent with the fact that the proportion of females employed at 180 days is slightly less (21%) than the proportion employed at 90 days (22%) and that at 90 days 97% were working for their initial employer while at 180 days 100% were so employed.

[3] One must recall our earlier discussion that females generally tend to be concentrated in Professional, Technical, Clerical or Service type jobs while males have more of a distribution throughout all types of job categories. This, in addition to the fact that more males were put in PSE jobs different from the type of job they held before PSE training may help to explain the differences. For example, many of the men may simply have left the PSE job and gone back to the type of job they held before PSE. For further discussion see Chapter IV, pp. IV-6 to IV-9.

[4] This point might be substantiated by the fact that in Table VI-1 we see that there was an increase in the mean and median hourly wage rate over the six month follow-through period for those males who transitioned while for the males who did not transition, the mean and median hourly wage were relatively stable over time.

[5] The reader should be aware that, in measuring job satisfaction, the client was simply asked by the counselor or coach if he was satisfied with his job on an overall basis, his wage rate, his supervisor, the type of work he was doing, and the location of the job. His response was categorized (satisfied or not satisfied) and was not scaled to measure degrees of satisfaction. Therefore, the measure of satisfaction is certainly a crude measure at best. Among the satisfied, for example, we cannot differentiate between those who were highly satisfied with their work and those who were minimally satisfied. This same is true, of course, for those who are dissatisfied.

[6] This type of analysis would seem to be borne out by the data for males. For example, in Table VI-2 we saw that satisfaction with wages by males tended to increase during the 30 to 180 day periods after PSE. From Table VI-1 we saw that the proportion of those who were with their original employer during the follow-through period declined during the six months. This could indicate that, over time, those dissatisfied with their wage moved to a new employer when the opportunity became available. The data for females does not support this type of explanation, however.

[7] It should be noted that one of the reasons females did not have the spectacular decline in the proportion of clients on welfare that males enjoyed was due to the earnings disregard in evaluating their eligibility for AFDC payments. While in PSE training, females received a one-third of earnings disregard when being considered for AFDC purposes. After completion of PSE, the females continued to receive the "disregard of earnings" consideration in calculating AFDC payments and eligibility until their earnings minus the disregard reached a prescribed level. Males, on the other hand, did not receive any disregard of earnings. Unemployed fathers receiving AFDC, who were subsequently employed in PSE, lost their AFDC payments.

[8] The reader should recall the need for caution (see footnote 1) with regard to longitudinal interpretations of the data.

[9] For all clients combined who were receiving welfare, the following are the mean figures on monthly payments before and after PSE: Before PSE, $263; After PSE at 30 days, $239; After PSE at 90 days, $249; After PSE at 180 days, $238.

[10] For male clients receiving welfare, the following are the mean figures on monthly payments before and after PSE: Before PSE, $300; After PSE at 30 days, $312; After PSE at 90 days, $305; After PSE at 180 days, $294.

[11] For female clients receiving welfare, the following are the mean figures on monthly payments before and after PSE: Before PSE, $240; After PSE at 30 days, $206; After PSE at 90 days, $225; After PSE at 180 days, $213. A reason that the average payment for females receiving welfare after PSE declined as compared to the average payment before PSE is that many females who were employed were receiving welfare due to the disregard mentioned in footnote 7. Given their earnings, however, they received less in their welfare grant. This lowered the average payment figure.

[12] To obtain an estimate of the amount of reduction in welfare outlay, the following procedure was used for each of the three post-PSE follow-through periods: First, calculate the total outlay for the clients before PSE. This was done in the following way: Take the proportion of clients on welfare before PSE for each of the sex/transition groups in Table VI-3 and multiply it by the number of people in the respective categories at the follow-through time interval to get the number of people who would have been on welfare. Multiply the resulting numbers by the average welfare payment before PSE for each group. This would give the expected outlay for that group in the post-PSE period if there had been no change in proportion receiving welfare or amount of welfare. Next, take the number of clients for each sex/transition category at the particular follow-through time interval and multiply each of these by the respective mean welfare payment in that follow-through period. Sum these amounts for each sex/transition group. This will give the estimated welfare outlay each month for that time period. Then, simply subtract the second outlay figure from that derived earlier. This difference is the estimated amount of reduction in welfare outlay for this time period. The procedure can be repeated for each time period (30, 90, and 180 days). The estimated proportionate reduction in welfare outlay for 30 days was 35 percent; for 90 days it was 31 percent; for 180 days, 37 percent.

PART FOUR

POLICY IMPLICATIONS

Chapter VII

THE VERMONT PSE EXPERIMENTAL AND DEMONSTRATION PROJECT: POLICY IMPLICATIONS AND DISCUSSION

This Report is an analysis and examination of the Vermont Experimental and Demonstration Project with PSE carried out during the period from July, 1970, through June, 1973. In the preceeding chapters we have: 1) established a conceptual framework for evaluating transition in a PSE manpower program, 2) examined the selection process and the characteristics of the clients enrolled in the Program, 3) reviewed the process of PSE job slot development and the nature of the slots and employers participating in the Program, 4) examined the placement and allocation of clients in the available PSE training slots, and 5) presented an analysis of the outcome of the PSE Program in terms of an operational concept of the transitional process as well as reviewing the impact on employment and welfare dependence of the clients. The specific findings for each of these areas have been presented in detail in the text and have been summarized in the conclusion of each chapter. In order to avoid redundancy, they will not be repeated again. The interested reader, of course, should refer to the particular chapter (or chapter summary and conclusion) for specific data and information.

This final chapter is an attempt to briefly outline some of the major policy implications of the findings of the Vermont research. The discussion is not intended to be comprehensive, but instead, is designed to focus on particular points and issues for which the Vermont findings will be most meaningful and relevant. The discussion and policy recommendations will be presented in two parts. The first part will deal with general policy implications and recommendations focusing on Public Service Employment as a manpower tool. The second part of the chapter will focus on a few specific operating policy recommendations to be considered when designing and implementing a PSE Program such as that employed in the Vermont E&D Project.

General Recommendations and Discussion

An interpretative review of the Vermont E&D findings and experience leads to several suggestions and recommendations dealing with Public Service Employment as a manpower tool and with regard to its use in manpower programming.[1]

First, the results of the Vermont PSE Program indicate that the creation of meaningful jobs in the Public and Non-Profit Private sectors is feasible and work experience in those jobs, supplemented with support services, can be an effective mechanism for the transition of low income unemployed into full-time employment. These findings lead to the recommendation that PSE Programs, based on the Vermont model, be continued as one basic tool in manpower programming for the low income unemployed persons.

The findings presented in Chapter III show that after gaining initial experience and using a focused job creation effort, the Vermont manpower specialists were able to generate a satisfactory number of meaningful jobs meeting basic wage, hour, and subsidy goals to satisfy the contractual requirements with the Department of Labor and to place the clients recruited for the program in a meaningful PSE work experience slots.[2]

The effectiveness of the PSE Program is demonstrated by the fact that the public service employers were not the ultimate employers of last resort with whom the clients remained on a subsidized dead-end job for an indefinite period. In fact, the supportive PSE work experience, taking place in a regular agency job, appeared to assist many relatively poorly qualified people in a movement to full-time non-subsidized employment--making them independent, or reducing their need for welfare payments. This, of course, is substantiated by the findings that forty-two percent of the clients transitioned into non-subsidized jobs at Level 1 (i.e., obtained a job within two weeks after leaving PSE).[3] This, as we have seen, appears to be a relatively high transition rate compared to other selected national and state manpower programs.[4] Also, it was clear from the follow-through data on client labor market experience after PSE that those who did transition tended to retain their employed status for a lengthy period of time after transition from PSE.[5] Furthermore, it was pointed out that the proportion of the clients in the sample receiving welfare declined to about thirty-nine percent as compared to the pre-PSE proportion of fifty-six percent.[6] Welfare outlays were reduced by about one-third for this total group of clients as well.

While the PSE Program in Vermont appears to provide an effective model for manpower programming, a few things should be noted that appear to relate to its effectiveness. An interpretation of the data and the findings of this and other reports concerning the E&D Project suggest that the PSE Program used in Vermont probably did not meaningfully change individual attitudes or develop more of an orientation towards work or its desirability.[7] The basic success of the Program appears to lie in the mechanism of the public service job as a channel to satisfactory employment opportunities for those clients who desired employment and were able to work when assisted by personal and economic support services. The public service job provided a period of stable employment, a reasonable income, an opening into the primary labor market which might not have been available otherwise, and the support services to assist those who wanted to work in maintaining their job. The subsidized PSE work experience gave the employer, at little cost, the chance to review and test out a questionable employee whom he might not have taken a chance on (or even known about) if it had not been for PSE. The employee, on the other hand, learned the requirements and characteristics of the employer in an intensive way with no commitment on his part to stay. When the end of the subsidized work experience came, if the PSE trainee had performed satisfactorily, he was an obvious candidate to be absorbed by the employer in an available job. In short, the Vermont PSE Program appears to have been a useful mechanism providing supportive services and a work opportunity to those interested in and able to work.

Next, the results of the Vermont PSE Program suggest that a PSE work experience program should be selectively focused toward specific groups and should not be a comprehensive program including everyone qualifying under a broad categorical grouping of "low income unemployed."

The findings of this study indicate that the selective enrollment of clients in PSE Program based on the Vermont model would enhance both the effectiveness and efficiency of the Program. The specific subgroupings might well depend upon considerations such as the relative effectiveness of a PSE Program compared to alternative programs (e.g., residential job training, on-the-job training combined with formal classroom education, etc.) for any particular subgroup in the low income unemployed categories. As an illustration, in the Vermont study it was found that males with little or no welfare history and a tangible indication of attachment to the labor force and interest in employment (e.g., unemployment for less than 26 weeks before PSE) tended to have higher transition rates than the other males and the females as a whole. In addition, these males spent less time in subsidized PSE work experience, on the average, than the females who transitioned.

By selectively enrolling such clients in a PSE Program, assuming that they make up a reasonable proportion of the target group, one could maximize the transition rate while minimizing the time and cost involved for the manpower program. This would free resources for other clients and other programs. In this way, not all clients in a general category (e.g., low income unemployed) would be enrolled in a specific program where the evidence from research indicates many would have little chance for success (transition). Obviously, to understand which clients with particular needs can best be served by a specific manpower program requires an analysis of the various manpower programs. The analysis would help determine the type of programs and design deemed best able to serve particular types of clients and meet local and national employment goals. Of course, it is possible, but unlikely, that for most subgroupings of clients, the Vermont PSE model is the most effective option in manpower programming--even though for some groups the transition rate appears to be quite low (e.g., females with long term welfare histories). In such a case, one might reasonably question the value of enrolling clients with low transition possibilities in any manpower program of current design since it might involve excessive cost and be of little benefit to the client or the economic system in terms of outcome.

The reader may recall that in recently proposed welfare reform legislation (i.e., HR 1) an Opportunities for Families Program (OFP) was formulated which included PSE alternatives for welfare recipients who were required to register for work training and were found to be employable or potentially employable. This PSE experience was to be transitional in nature to move the client into a non-subsidized job and was supplemented by support services (e.g., child care, counseling, etc.).[8] It is clear that the Vermont PSE Program was highly similar to the proposed OFP in a number of ways. While no analysis was conducted specifically for welfare recipients in this study, the evidence presented in the Tables in Chapter V and VI clearly indicate that such a program might be successful in facilitating transition for clients (male and female) with a relatively short time on welfare and a history of work experience and attachment to the labor force. However, for those clients who had been on welfare for a substantial period of time (e.g., over a year for men and a year and one-half for women), there would appear to be limited possibilities for success.

A final recommendation resulting from the Vermont Program is that *there should be a more precise understanding and an operational definition of the meaning of transition. Specifically, there should be a comprehensive and uniform measure of transition to clarify the concept and provide a consistent basis for individually and comparatively evaluating the various manpower programs which by design or by legislative mandate are to exhibit transitional characteristics*.

It was pointed out earlier in the study that even though there appears to be a strong policy emphasis that PSE work experience opportunities provided in various manpower programs should be transitional in nature, the meaning of transitional employment is not clear. This necessarily results in difficulties in determining, in any rigorous way, whether transition did occur in a program and to what degree it is manifested. In addition, it makes a meaningful comparison of PSE programs with regard to transition a very difficult and imprecise process-if not an impossible one. It appears, therefore, that a conceptual standardization and a consistent operational definition of transition should be developed and employed in evaluating and implementing the various manpower programs. With such a standardized concept and definition, goals could be more precisely outlined for particular programs and results evaluated against objectives. In addition, the various programs could be compared on a uniform basis to determine differential successes (using identical criteria) of the various programs with particular populations. This would facilitate the design of a differential manpower strategy for various client subgroupings as discussed earlier.

The reader will recall that in this report an attempt has been made to formulate a rigorous concept of transitional employment. Also, an operational definition has been developed and utilized in measuring the extent and degree of client transition in the Vermont E&D Project. The concept of transitional employment was briefly outlined in Chapter I and was graphically illustrated in some detail in Figure I-1. Specifically, transitional employment was formulated as a process with identifiable stages, periods, and outcomes through which the clients pass in their orientation and developmental progress. PSE with its peculiar characteristics, was considered as the basic transitional mechanism. Later in the report, in Chapter V (and summarized in Table V-1), the concept of transition was operationalized and specific measures of transition were developed to evaluate the Vermont Project success. The measure of transition as developed incorporated the several variables which make the transitional concept a dynamic and meaningful frame of reference. For example, the operational definition of transition included identification of whether the post-PSE non-subsidized employer was the PSE training employer or another employer. This, in turn, was related to various important characteristics such as the length of time taken to obtain the non-subsidized job after PSE, whether or not the wage earned after PSE was more or less than the PSE training wage, and whether or not the client remained on the post-PSE non-subsidized job. This framework provides a basis for a precise, specific, and measurable formulation of the type and level of transition. Such a definition allows for the establishment of goals for a program in explicit functional terms (a specific type and level of transition) and allows for interprogram comparisons of success.

While some readers and policy makers may disagree in part or in whole with the conceptualization and measurement of transition as developed in this report, it should at least provide a basis for a more rigorous consideration of transition and be a stimulus for formulating a common framework for evaluation of programs designed to provide "transitional" employment.

Selected Operating Recommendations and Notes

The preceeding section dealt with the major policy recommendations and implications from an interpretation of the findings in the Vermont E&D Project. This section focuses briefly on a few selected recommendations, points, and observations emerging from the Vermont experience. They may be of value to those parties implementing or designing the activities of a PSE Program similar to the Vermont Program.[9]

First, it may be helpful in focusing staff efforts and using resources effectively if the specific set of transitional objectives can be established before the field activity of job development, client recruitment, etc. is initiated.

If the agency or organization implementing a PSE Program has an operational definition of transition, it can formulate its desired objectives prior to beginning field operations. With a concrete objective, its operating activities can be directed in a manner which will maximize the attainment of the defined objectives. For example, if an agency defines its objective for PSE trainees as having them employed immediately by their respective PSE employers after the subsidized work experience ends and also to have them earning an hourly wage greater than or equal to the wage earned in PSE training (this would be a Type 1 Level 2 transition in terms of the model proposed in Chapter V), then a strategy for job development and client recruitment could be developed to achieve this objective. In another situation where the concern is with a certain group of clients, the objective may simply be to move them to unsubsidized employment with any employer immediately after PSE (a Level 1 transition objective), a somewhat different strategy focusing on job development could be developed. We have seen from this study of the Vermont experience that there are certain types of jobs, employers, and clients that may maximize the probability of achieving a defined transition objective. These tools should be used in designing a strategy for operating a PSE manpower program and focusing activity. Such an approach provides more rationality and a means-ends planning structure to manpower programming at the local level.

Another recommendation is that employers from the universe of employers to be tapped for jobs in the PSE Program should be involved to some extent in the process of designing the job development strategy for the Program.

Personnel managers or other representatives of the employers to be approached about jobs should be involved in the planning and job development process. Their roles might vary from that of committee advisors to actual job developers depending upon the circumstances, funding and interest. Their involvement at some level early in the planning and implementation phase of the program would appear to be crucial, however, to the efficient process of job development. Their involvement can help eliminate some of the confusion and problems experienced early in the Vermont Project. Such involvement can help direct job development activity thereby making the manpower specialists more effective. In addition, their participation can add legitimacy to the program in the eyes of other employers. Finally, such involvement can increase the commitment of the employers to successful outcomes for the program since they helped plan and design the job development strategy. It would seem reasonable that the agency responsible for the PSE Program would select employers for involvement from the universe of employers that had been defined as most likely to provide the type of jobs necessary to achieve some defined transition objective for the PSE Program.

A final recommendation is that the agency implementing and operating the PSE Program should make every possible effort to minimize turnover in the staff responsible for the PSE Program during the life of the Program.

Many government agencies, due to civil service requirements, budget limitations, and other constraints might not be able to staff the PSE Program with personnel who are full-time and/or have permanent status. Using large numbers of temporary people, however, can have the unfortunate effect of increasing the probable rate of turnover among the operating staff. This can lead to excessive concern about staffing and replacement problems. It can, perhaps more importantly, also have the disfunctional effect of increasing the opportunity for learning errors to occur and may interrupt the continuity in the personal relationships with clients and employers. If those collecting and recording the data related to the program (for reporting, accounting or other measurement purposes) must be replaced, it increases the probability of errors entering into the data.

If at all possible, personnel with long-term appointments should be used in the administration and operation of a PSE Program. If the program cannot be staffed entirely by permanent personnel, they should be liberally mixed with the temporary staff and placed in the key positions with regard to the main operating and recording functions of the program. This might assist in providing much of the desired consistency and continuity in the activity.

Footnotes

[1] While reviewing the recommendations in this chapter, the reader should keep in mind that the findings in the Vermont E&D Project may not be totally applicable to a different region or part of the country. If a high support PSE Program is successful in Vermont, there is no assurance it will be of equal success in New Jersey or California (it, naturally could be more or less successful). However, the findings from the Vermont project do add to an empirical framework for the evaluation of PSE Programs, and, more specifically, they would appear to offer useful immediate policy possibilities for other areas with similarities to Vermont (e.g., possibly other New England states, the upper peninsula of Michigan, and perhaps the rural parts of Wisconsin and Minnesota).

[2] See, for example, Table III-1 and the discussion relevant to that Table.

[3] See Table V-2 and the related discussion in Chapter V.

[4] See Table V-4.

[5] See Table VI-1.

[6] See Table VI-3.

[7] For further evidence on this point, the reader should refer to the Booz, Allen & Hamilton, Inc. report, "Study of the Vermont Manpower Experimental and Demonstration Program," 1973 (Processed).

[8] For useful overview of the proposed welfare reform program, the reader might want to refer to "Highlights of Welfare Reform," (Washington, D.C.: Government Printing Office, 1971).

[9] The Vermont Department of Employment Security has prepared a series of monographs which will be of interest to anyone considering implementing a PSE program. They outline procedures and make recommendations regarding program operations.